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National
Endowment
for the Arts

Application
Guidelines
Fiscal Year 1992

Challenge III Grants

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OMB No. 3135-0074 Expires 10/31/93

FY 1992 Challenge III Application Calendar

February 4, 1991	Postmark deadline for submitting "Notice of Intent to Apply" card.
March 5, 1991	Deadline for submitting the complete Challenge III application with all required attachments. **All material must be received (not postmark date) by the Arts Endowment's Challenge Grant Program by close of business on this date.** Requests for deadline extensions will not be honored.
November 1991	Earliest date for notification of grant award or rejection.

Late applications will not be considered and will be returned. Incomplete applications are unlikely to be funded.

Special Note: These guidelines represent the fourth funding cycle of the new Challenge III Program. The Challenge III Program is designed to produce investments between public and private partners to assist national progress in the arts by supporting projects.

In developing any Challenge III application, applicants are strongly advised to discuss the project concept with staff of the Challenge Grant Program and staff of the other Arts Endowment program to which the project most directly relates.

Program	**Telephone Number**
Challenge and Advancement	202/682-5436
Arts in Education	202/682-5426
Dance	202/682-5435
Design Arts	202/682-5437
Expansion Arts	202/682-5443
Folk Arts	202/682-5449
Inter-Arts	202/682-5444
Literature	202/682-5451
Locals Program	202/682-5431
Media Arts: Film/Radio/Television	202/682-5452
Museum	202/682-5442
Music	202/682-5445
Opera-Musical Theater	202/682-5447
States Program	202/682-5429
Theater	202/682-5425
Visual Arts	202/682-5448

Preface

The National Endowment for the Arts, an independent agency of the Federal Government, was created in 1965 to encourage and assist the nation's cultural resources. The Endowment is advised by the National Council on the Arts, a presidentially appointed body composed of the Chairman of the Endowment and 26 distinguished private citizens who are widely recognized for their expertise or interest in the arts. The Council advises the Endowment on policies, procedures, and programs, in addition to making recommendations on grant applications.

Statement of Mission National Endowment for the Arts

Preamble

Throughout the ages, man has striven to go beyond the limits of the immediate physical world to create that which was not there before and thus nourish the human spirit. Our first record of man's perception of the world around him was through art scratched on cave walls, carved in stone, or modeled in clay. Man's need to make, experience, and comprehend art is as profound as the need to speak. It is through art that we can understand ourselves and our potential. And it is through art that we will be understood and remembered by those who will come after us.

This nation's governance is based on our people's commitment to freedom of imagination, thought, and expression. Our many aesthetic and cultural traditions are precious to us—for the rich variety of their beauty and as a rich symbol of the diverse nature of the United States.

Primary support for the arts has always come directly from the people of this nation: artists in localities all across the country who create and sustain the arts and contributors who support the arts out of conviction and as a matter of civic and regional pride.

It was in this context that the National Foundation on the Arts and the Humanities Act was enacted in 1965. The Congress found that "the encouragement and support of national progress and scholarship in the humanities and the arts, while primarily a matter of private and local initiative, is also an appropriate matter of concern to the Federal Government..."

The Congress also found that "while no government can call a great artist or scholar into existence, it is necessary and appropriate for the Federal Government to help create and sustain not only a climate encouraging freedom of thought, imagination, and inquiry, but also the material conditions facilitating the release of this creative talent..."

Mission

The mission of the National Endowment for the Arts is:

- To foster the excellence, diversity, and vitality of the arts in the United States and
- To help broaden the availability and appreciation of such excellence, diversity, and vitality.

In implementing its mission the Endowment must exercise care to preserve and improve the environment in which the arts have flourished. It must not, under any circumstances, impose a single aesthetic standard or attempt to direct artistic content.

Implementation

Who: The Endowment assists individual artists; those who act on behalf of artists or audiences; organizations whose primary intention is artistic or educational; and state and local arts agencies. Demonstrated or potential excellence and capacity to conceive, develop, or present a work of art are primary criteria.

(Continued on next page)

Statement of Mission National Endowment for the Arts, continued

What: Endowment activities:

- Demonstrate national recognition of the importance of artistic excellence.
- Provide opportunities for artists to develop their talents.
- Assist in the creation, production, presentation/exhibition of innovative and diverse work that has potential to affect the art form and directly or indirectly result over time in new art of permanent value.
- Assure preservation of our cultural heritage.
- Increase the performance, exhibition, and transmission of art to all people throughout the nation.
- Deepen understanding and appreciation of the arts among all people nationwide.
- Encourage serious and meaningful art programs as part of basic education.
- Stimulate increasing levels of nonfederal support of the arts.
- Improve the institutional capacity of the best of our arts organizations to develop, produce, present, and exhibit bold and varied fare.
- Provide information about the arts, their artistic and financial health, and the state of their audiences.

How: The Endowment, in conjunction with private and public partners, carries out its mission through grants programs and a wide range of leadership and advocacy activities. The Endowment also serves as a national forum to assist in the exchange of ideas and as a catalyst to promote the best developments in the arts and education about them. The Endowment's grants programs include individual, project, and longer term institutional support.

Endowment decision-making is guided by peer panel review and the National Council on the Arts and by additional advice from the artistic fields and their public and private supporters. The Endowment works closely with its public partners (the state and local arts agencies) to reflect regional, state, and local perspectives and assist cooperation in implementation of government arts support programs. The Endowment's programs are aimed at benefiting all people of this nation regardless of sex, race, creed, national origin, handicap, age, or habitat.

Excerpted Authorizing Legislation

A portion of the Arts Endowment's authorizing legislation states--

"Sec. 954 (sec. 5) NATIONAL ENDOWMENT FOR THE ARTS

"(c) The Chairperson, with the advice of the National Council on the Arts, is authorized to establish and carry out a program of contracts with, or grants-in-aid or loans to, groups or, in appropriate cases, individuals of exceptional talent engaged in or concerned with the arts, for the purpose of enabling them to provide or support--

"(1) projects and productions which have substantial national or international artistic and cultural significance, giving emphasis to American creativity and cultural diversity and the maintenance and encouragement of professional excellence;

"(2) projects and productions, meeting professional standards or standards of authenticity or tradition, irrespective of origin, which are of significant merit and which, without such assistance, would otherwise be unavailable to our citizens for geographic or economic reasons;

"(3) projects and productions that will encourage and assist artists and enable them to achieve wider distribution of their works, to work in residence at an educational or cultural institution, or to achieve standards of professional excellence;

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Excerpted Authorizing Legislation, continued

"(4) projects and productions which have substantial artistic and cultural significance and that reach, or reflect the culture of, a minority, inner city, rural or tribal community;

"(5) projects and productions that will encourage public knowledge, education, understanding, and appreciation of the arts;

"(6) workshops that will encourage and develop the appreciation and enjoyment of the arts by our citizens;

"(7) programs for the arts at the local level;

"(8) projects that enhance managerial and organizational skills and capabilities;

"(9) projects, productions, and workshops of the kinds described in paragraphs (1) through (8) through film, radio, video, and similar media, for the purpose of broadening public access to the arts; and

"(10) other relevant projects, including surveys, research, planning, and publications relating to the purposes of this subsection."

Chairman's Priorities

The National Endowment for the Arts, throughout all of its programs and activities, is particularly interested in promoting and supporting

- arts education
- multicultural involvement
- rural involvement
- greater international presence

While these emphases will not be relevant in all applications, their presence, as appropriate, will be viewed positively. Particularly with respect to international, we urge potential applicants to contact the respective Program prior to making application in any of the Program's categories. See also International Activities on page 17.

Endowment Information

Information about the Endowment and its programs is contained in the Guide to the National Endowment for the Arts, which is available from:

Public Information Office, Room 803
National Endowment for the Arts
Nancy Hanks Center
1100 Pennsylvania Avenue, N.W.
Washington, DC 20506
202/682-5400
Telecommunications Device for Deaf People 202/682-5496

Visually or learning impaired people may obtain assistance in acquiring a cassette recording of these or any other Endowment Program's guidelines and the Guide to the National Endowment for the Arts by writing or calling:

Office for Special Constituencies, Room 605
National Endowment for the Arts
Nancy Hanks Center
1100 Pennsylvania Avenue, N.W.
Washington, DC 20506
202/682-5532
202/682-5496 Voice/TDD

Please specify which publication (e.g., the Guide to the National Endowment for the Arts or a specific Program's current guidelines) you wish to have recorded.

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Challenge III

Program Goal

The goal of the Challenge III Program is to encourage and to stimulate increased support for projects of the highest quality which can move the nation forward in achieving excellence in the arts, improved access to the arts, or deeper and broader appreciation of the arts.

This goal reflects the central elements of the Arts Endowment's legislative mandate and its mission statement (refer to pages 1-2). Challenge III emphasizes significant long-term impact, complementing other Arts Endowment programs which assist current activities of artists and arts organizations. Challenge III projects should look beyond the ongoing needs of arts institutions to the needs of the art form and audiences served. Proposed projects should involve new concepts, fundamental change, or substantial departures from established patterns which can benefit the arts and arts audiences over time.

Such projects may require diverse human and financial resources. They may be developed by a variety of non-profit organizations as well as public agencies and institutions, working singly or in collaboration. Challenge III is also designed to stimulate creative partnerships among funders where there is shared interest in a long-term goal.

Project Objectives

To implement this Program's goal, Challenge III applications are accepted for four different types of projects. Each type serves a different objective as outlined below.

A. **Artistry:** These projects should contribute to artistic achievement of the highest quality in one or more art forms. Examples include (but should not be limited to) new or substantially expanded approaches to commissioning, production, presentation/exhibition, conservation/preservation, professional training or development, etc.; development of significant new work (including collaborations); exploration of the creative potential of new technology; or other projects which can enhance excellence in the arts.

B. **Access:** These projects should provide increased availability of quality arts experiences. Examples include (but should not be limited to) new or substantially expanded approaches to exhibition or performance touring, recording, distribution, marketing, or broadcasting; proposed solutions to special problems of arts access in underserved areas, minority communities, etc.

C. **Appreciation:** These projects should extend and deepen public appreciation of the arts of highest quality. Examples include (but should not be limited to) new or substantially expanded approaches to classroom instruction, curriculum development, training or professional development of arts teachers, educational materials, arts interpretation, educational media programs, outreach programs, or educational programs in non-academic settings, etc. (Professional training of artists is covered under the "Artistry" objective.)

D. **Support Systems for the Arts:** These projects should help to develop the support environment for the arts, building or strengthening mechanisms outside of the Federal Government which assist arts organizations and artists. Examples include (but should not be limited to) new or substantially expanded approaches to grantmaking, technical assistance, and other programs of regional, state or local arts agencies, arts service organizations or associations.

(Continued on next page)

Project Objectives, continued

Construction or renovation projects and the establishment of endowments are not a priority of the Challenge III Program. However, such requests will be considered where they contribute directly to one of the Challenge III objectives. In each case, a clear link to a specific objective must be demonstrated (see "Design Submission Form D" on page 73 for additional information).

In developing any Challenge III application, applicants are strongly advised to discuss the project concept with staff of the Challenge Grant Program and staff of the other Arts Endowment program to which the project most directly relates.

Note: In the planning, construction, and renovation of facilities or in the provision of programs and services, careful consideration must be made to assure access for disabled people in compliance with Federal law. (See "Other Programs of Interest/Office for Special Constituencies" on page 16 and "Instructions for the Design Submission and Form D" on pages 40-42.)

Eligibility

Institutions, including arts institutions, state and local arts agencies, regional organizations, and other organizations (e.g., organizations involved in media, publishing, recording, and education) and consortia of such institutions (applying for a shared project), that can further the objectives of this Program and which meet the legal requirements on page 18 are eligible. (Please refer to pages 11-12 for a special section on consortium applications.)

The applying organization(s)/agency(ies) or the lead organization/agency of a consortium must have been in existence for at least five years prior to the date of application; have paid professional staff; and, in general, have a minimum operating budget of $100,000 for its last complete fiscal year prior to the date of application. Rare exceptions may be made to these requirements only for a new organization created specifically to carry out the project or for some members of a consortium if the majority of members are in compliance with these requirements.

State arts agencies and regional organizations must currently be operating under plans approved by the Arts Endowment.

An organization/agency may submit on behalf of itself or as a lead member of a consortium only one Challenge III application at a time. If a grant is awarded, the organization/agency cannot apply again on behalf of itself or as a lead consortium member until completion of the grant period. An organization/agency, however, may be a member of one or more consortium application(s) and at the same time apply on behalf of itself, provided that the applications are for different projects. An organization/agency may also be a current Challenge grantee and at the same time be a non-lead member of a consortium receiving a Challenge III Grant.

Former grantees who fail to submit required Final Report packages for any grant(s) are ineligible to receive subsequent funding for five years following the Final Report due date of the grant(s) unless the delinquent Final Report packages are submitted earlier. Acceptability of Final Report packages may also affect eligibility. This policy begins with grants awarded in FY 1984 (i.e., any grant letters dated on or after October 1, 1983).

To maintain or reestablish eligibility immediately mail any delinquent Final Reports to:

Grants Office/Final Reports Section, Room 204
National Endowment for the Arts
Nancy Hanks Center
1100 Pennsylvania Avenue, N.W.
Washington, DC 20506

(Continued on next page)

Eligibility, continued

Do not include Final Reports as part of your new application package.

Simultaneous Applications to the Arts and Humanities Endowments

An organization/agency may submit simultaneous applications for Challenge Grants to the National Endowment for the Arts and the National Endowment for the Humanities. No organization/agency, however, may receive Challenge Grants from both agencies concurrently. Should both the Humanities Endowment and the Arts Endowment offer a Challenge Grant to an organization/agency, the applicant may accept only one offer. (Exceptions to this rule will be considered by the Arts Endowment when the Humanities Endowment Challenge Grant addresses needs that could not be met through an Arts Endowment Challenge Grant. Applicants concerned about this question should consult with the Arts Endowment's Challenge Grant Program at 202/682-5436 prior to application.) Any eligible organization/agency may submit a Challenge Grant application to one agency if it has already completed a Challenge Grant at the other.

Review Criteria

All applications will be reviewed against the following five criteria:

Criterion #1

Quality of the project

The following elements will be considered as principal review criteria depending on the primary objective to be accomplished by the project:

A. **Artistry:** The project's potential for achieving the highest artistic quality of national significance and lasting impact on the art form or excellence in it. Those applying for a project addressing this objective will be reviewed regarding:

- The quality of the proposed artistic activity (creation, production, presentation/exhibition and/or preservation).
- The artistic/philosophical impetus behind the application, the plans, and the expectations of the artist(s) involved.
- The project's potential lasting effect on the art form or excellence in it.
- The extent to which the project has the potential to be a major step forward, a substantial departure from what was previously possible.

B. **Access:** The project's potential to develop improved and broadened access, on a long-term basis, to the arts of quality. Those applying for a project addressing this objective will be reviewed regarding:

- The quality of the proposed artistic activity, i.e., the highest quality possible in the community(ies) to be reached.
- The capacity of the project to reach audiences not reached before by the proposed level of arts experience, including the quality of specific plans for audience development.
- The numbers of people/communities/localities to be reached by the art(s) specified in the project description.
- The project's potential long-term effect on access to the art(s) of quality for these populations.
- The extent to which the project has the potential to be a major step forward, a substantial departure from what was previously possible.

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Review Criteria, Criterion #1, continued

C. **Appreciation:** The project's potential, on a long-term basis, for developing deeper and broader education in and appreciation of the arts of highest quality and of cultural significance. Those applying for a project addressing this objective will be reviewed regarding:

- The value of the specific knowledge, skill, and understanding to be achieved by specific persons and the extent to which this knowledge, skill, and understanding will be greater than what was previously possible.
- The quality and rigor of the process and system through which knowledge of the arts is conveyed and skills and understanding enhanced.
- The project's potential long-term effect on appreciation of excellence in the art(s) (including as appropriate, the relationship to rigorous sequential learning in the schools K-12).
- The numbers of people/communities/localities/schools to be reached by the project, directly and long-term.
- The extent to which the project has the potential to be a major step forward, a substantial departure from what was previously possible.

D. **Support Systems for the Arts:** The project's potential, on a long-term basis, to assist non-Federal support systems (e.g., subgranting, technical assistance) to address any one or a combination of objectives A through C. Within this criterion applications will be reviewed regarding:

- The quality of the non-Federal institution's process and its capacity for the above purposes.
- The extent to which the project has the potential to be a major step forward towards achieving the selected objective(s), a substantial departure from what was previously possible.
- The project's potential long-term effect on the support environment for the arts in the affected jurisdiction(s) or for the targeted constituency(ies).

Criterion #2

Ability to complete the project successfully

- Appropriateness of the project to the applicant organization/agency.
- History of related work which has been successfully executed.
- History of stable management and governance (including boards, commissions, councils).
- Evidence of effective planning.
- Presence of staff and board with a history of completing comparable project(s) successfully.
- Clarity of project description and methods of implementation.
- Evidence that project has been appropriately budgeted.

Criterion #3

Ability to meet the match (refer to "Matching Requirements" on page 9)

- History of successful fundraising efforts and/or evidence of ability to secure the required resources for the implementation of the proposed project.
- Level of preparation to conduct fundraising campaign and/or secure additional legislatively appropriated funds.

Criterion #4

Where appropriate, indications that the project can be sustained in the future without Federal support

- Commitment of public and/or private funding sources.
- Cooperation among participating organizations.

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Review Criteria, continued
Criterion #5

For projects involving the renovation or construction of facilities (refer to "Instructions for the Design Submission and Form D" on pages 40-42)

- Design excellence.
- Appropriateness of proposed design to the objective(s) (artistry, access, appreciation, or support systems for the arts).
- Compliance with Federal law regarding access for people with disabilities.

Grant Amounts

Grant amounts will generally range from $50,000 to $1,000,000.

Grant Period

Generally, grant periods may be from one to four years, but in no case begin earlier than November 1, 1991.

Matching Requirements

A Challenge III Grant must be matched at least three-to-one (four-to-one for construction, renovation, equipment purchase, or purchase of a building), generally with new or increased contributions. (For public arts agency applicants, all references to contributed income refer to public funds appropriated for the Challenge III project.) Whenever possible, grantees are urged to exceed the minimum required match in order to gain increased leverage from the Challenge III Grant.

All matching funds must be received in cash during the Challenge Grant period and utilized in accordance with the approved project budget (see exceptions noted on page 10).

Exceptions to the general matching requirements may be made only under unusual circumstances; the burden of proof will be on the applicant to explain why an exception is warranted. There can, however, be no exceptions to the minimum matching requirements ratios. In no case may other Federal funds be used as match.

Matching funds are limited to the amount of the specific gift which represents new or new or increased contributions when compared with the amount contributed during the base year, irrespective of how the funds are utilized. Matching funds must be used specifically for the project. Contributions or appropriations received by the organization during the last completed fiscal year prior to the Challenge III Grant start date will constitute the base year. For public arts agencies, appropriations received specifically in support of a Challenge III project will be considered eligible sources of match.

a. A "new" contribution is money received during the grant period from a donor who did not contribute during the base year.

b. An "increased" contribution is that portion of a contribution in any year during the Challenge III Grant period which is in excess of the amount given by a donor during the base year. For example: if a certain donor contributed $15,000 during the base year and his/her contribution in the first year of the Challenge III Grant period is $20,000, only $5,000 may be included as matching funds for this grant. If this same donor then contributed $30,000 during the second year, an additional $15,000 may be included as matching funds for this grant.

The overall matching timetable will be negotiated between the grantee and the Challenge Grant Program.

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Matching Requirements, continued
Specific Gifts

The following is provided to help determine the eligibility of specific gifts. All gifts in these categories must be approved by the Arts Endowment's General Counsel.

Non-Cash Gifts

In this section, "non-cash gifts" refers to in-kind, debt forgiveness, life insurance, and marketable securities. Two types of tangible property may be eligible:

1. Tangible property to support the specific Challenge III Grant project when the gift is tax deductible for the donor.

2. Proceeds from tangible property when given for immediate re-sale.

Gifts must be appropriate for the Challenge III Grant project, received during the grant period, and approved for matching eligibility on a case-by-case basis.

Planned Gifts: Irrevocable Trusts

Contributions resulting from certain forms of irrevocable trusts may be used to match a Challenge III Grant.

Examples of such irrevocable trusts include:

- Charitable remainder annuity trust*;
- Charitable remainder unitrust*;
- Pooled income fund*;
- Charitable gift annuity;
- Deferred gift annuity; and,
- Charitable lead trust (limited to the present value of the annuity to be received during the Challenge III Grant period).

* These planned gifts would not be applicable to Challenge III projects where matching funds must be expended during the grant period.

For purposes of qualifying as a Challenge III match, the documents originating such an irrevocable trust must be executed after the grant start date. The trust instrument must restrict the proceeds to the purposes of the Challenge III Grant. All forms of planned gifts, except for charitable lead trusts (see above), should be valued according to IRS practices and principles. Because of the legal complexities of each type of planned gift, the use of such contributions towards the Challenge III Grant match is subject to acceptance by the Arts Endowment's General Counsel.

Planned Gifts: Bequests

Bequests are, by definition, revocable. Therefore, bequests may only qualify as Challenge III Grant matching funds under the unusual circumstances that they:

1. Are made after the FY 92 Challenge III application deadline;

2. Are accompanied by a recitation that they are in response to the Challenge III Grant;

3. And are received by the grantee during the Challenge III Grant period.

Challenge grantees receive Addendum B "Additional General Terms and Conditions for Nongovernmental Recipients of Challenge Grants" which provides more explicit information about matching gifts. For a copy of this material, please contact the Challenge Grant Program (202/682-5436).

Final Reports

At the end of the grant period, the Arts Endowment requires acceptable Final Report packages from all grantees. If you receive a grant, complete instructions on final reporting will accompany the grant letter. See also important information under "Eligibility" on pages 6-7.

Obligation and Disbursement of Federal Funds

In order for the Arts Endowment legally to reserve grant funds for the grantee (which is referred to as the "obligation of Federal funds"), documentation of new or increased contributions (public funds for public arts agencies) received by the grantee during the grant period equal to the size of the Challenge III Grant must be submitted to the Arts Endowment according to the negotiated schedule.

Contributions (public funds for public arts agencies) received in cash after the grant start date and during the grant period may be used to obligate Federal funds. The Arts Endowment will consider acceptance of a pledge to obligate the Federal funds provided that funds from the pledge are received during the grant period and the pledge agreement was entered into after the Challenge III Grant application deadline.

Consortium Applications

Consortium applications will be accepted under any of the four Project Objectives described on pages 5-6. Such applications should be submitted by the lead organization/agency of the consortium for a single shared project to be executed by all members of the consortium (see "Application Materials" on pages 23-25 for additional information). The application must include a binding written agreement between all consortium members, signed by each of them, that indicates the relative programming, management, and financial roles and responsibilities (including matching responsibilities) of each of the consortium members.

A consortium is a partnership of two or more identified entities to undertake a shared project which requires combined resources of capital and human talent.

A consortium may be functionally or geographically composed; e.g., a consortium of small organizations/agencies spread out across the country to develop a national marketing effort; a consortium of presenters for a regional touring network established solely to deliver art to the people in a region; or a consortium of funders to subgrant to individual artists.

Each consortium will have one lead organization/agency responsible for all reporting and monitoring activities. The lead organization/agency acts as payee for the receipt of Federal funds and is responsible for the distribution of these funds to the consortium members.

The overall review process will incorporate judgments by panels with respect to the relevant review criteria as they apply to the relative roles and responsibilities of the consortium members.

Judgments will also be made on the appropriateness of the relative matching responsibilities set out in the consortium agreement.

EXAMPLE: A public or private institution could serve as the lead for a consortium solely to facilitate a combined project with no control over consortium member activities and no decisionmaking with regard to the consortium; in which case, Arts Endowment judgments on Challenge Grant criteria would be based on the activities (including proposed activities) of the consortium members other than the lead organization and the matching requirements would apply to them.

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Consortium Applications, continued

EXAMPLE: A consortium could be established in which the members shared various roles and responsibilities in particular proportions; in which case, Arts Endowment judgments would be made on the proportional contributions and the matching requirements would apply proportionately.

Applicants considering a consortium application should contact the Challenge Grant Program (202/682-5436) for advice prior to developing their application.

Deadlines and Announcement Dates

Prospective applicants should notify the Challenge Grant Program in writing of their intent to apply by mailing the Intent to Apply Card on the back cover of these guidelines by February 4, 1991.

An organization/agency that has not applied to any of the Arts Endowment programs in the past two years must indicate this on its Intent to Apply Card and call the Challenge Grant Program immediately at 202/682-5436.

Application packages must be received by the Challenge Grant Program no later than March 5, 1991.

The earliest date for notification of grant award or rejection will be November 1991.

Application Review Process

The application review process consists of the following:

Applications will be reviewed by Arts Endowment staff for compliance with the Challenge III guidelines.

A feasibility assessment of each application will be prepared by an independent contractor for use by all reviewing bodies. This assessment will focus on the applicant's ability to complete the project successfully, meet the match, and, where appropriate, indicate whether the project can be sustained in the future without Federal support. The design component(s) of applications requesting to use Federal and/or matching funds for renovation or construction will be reviewed, and wherever possible, a sight visit made by an independent design professional who will provide a Challenge III Design Arts panel with a written report of his/her review.

The applications will then be reviewed by Challenge III panels convened in each of the Arts Endowment's program areas. Review will be conducted by project objective (artistry, access, appreciation, or support systems for the arts) according to the applicable review criteria (see pages 7-9).

Secondary reviews: In instances where projects involve artistic aspects or are focused in an artistic discipline (i.e., Endowment program area) in which the applicant organization is not usually reviewed, then where appropriate, and at the discretion of the Endowment, a secondary review may be necessary. The secondary review would be performed by a panel in the Endowment program area most familiar with the applicant organization. For example, a theater company submits a Challenge III application for a project involving production and marketing of a number of works on video. Due to the nature of their project, the application may be reviewed by an Endowment Media Arts panel even though the theater company gets regular funding from the Endowment's Theater program. In this instance, the Endowment may also arrange for a secondary review by a theater panel.

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Application Review Process, continued

In many cases, the decision to conduct a secondary review will depend upon a number of factors including the scheduling of panels. The objective of any panel performing a secondary review will be to provide general comment on the artistic quality of the organization and the quality and impact of the proposed project. Any potential applicant who feels that its project may require a secondary review should contact the Challenge Grant Program at 202/682-5436 prior to submitting its application. The Endowment will take into consideration any prior discussions with applicants about their projects in its effort to determine if a secondary review is warranted.

Applications requesting to use Federal and/or matching funds for renovation or construction will be reviewed by a Challenge III Design Arts panel.

Applications recommended by the program panels will be forwarded to an interdisciplinary Challenge III Review Committee for final deliberation.

Recommendations of the Challenge III Review Committee will be forwarded to the National Council on the Arts and then to the Chairperson for final decision.

Monitoring and Reporting Requirements

Each grantee is required to submit reports to the Arts Endowment. ("Fiscal Year" or "Fiscal Quarter" refer to the grantee's fiscal periods, not those of the Arts Endowment.)

For consortium grants, the lead organization/agency will be responsible to the Arts Endowment for the reporting requirements of the Challenge Grant.

Quarterly Reports: Each grantee or, in the case of a consortium, the lead organization/agency must submit every three months throughout the grant period a "Quarterly Report of Performance" which summarizes the sources of the minimum required match and the grantee's progress in accomplishing the objectives of the project.

Annual Reports: Each grantee (including the individual members of consortium grants) must submit independent audited financial statements and an annual report within 120 days following the end of each fiscal year throughout the grant period. In addition to the scope of the examination prescribed in OMB Circular A-110 or A-102, the grantee's auditor or the state or local government's audit official should address the following concerns either in notes to the financial statement or in a supplementary statement:

1. That the Challenge Grant and matching funds are being used for the purposes outlined in the grant award letter and that all requirements stipulated in the grant award letter are being followed; and

2. That the method used by the grantee in determining that matching funds are "new or increased" is reasonable.

Final Report: Each grantee or, in the case of a consortium, the lead organization/agency must submit a final narrative and financial report. All Challenge grantees will be reviewed upon completion of the grant period to determine whether the project was completed in accordance with the application and the terms and conditions of the grant award letter. Submission of a final work product (if any) will be determined at the time of the grant award letter preparation.

Environmental Assessments

42 U.S.C. section 4332, the National Environmental Protection Act (NEPA), requires Federal agencies to make, when necessary, an environmental assessment before undertaking a major Federal action. During the application process, the Arts Endowment may, if necessary, request that the applicant provide information in response to specific questions in accordance with NEPA and the regulations implementing that law (found at 40 CFR section 1500, et seq) in order to make the environmental assessment. If an environmental assessment is required, it will result in either a request to the applicant to undertake and submit an environmental impact study (EIS) or an issuance by the Arts Endowment of a Finding of No Significant Impact. A Finding of No Significant Impact requires no additional action by the Arts Endowment or the applicant.

Historic Preservation Assessments

Section 106 of the National Historic Preservation Act (NHPA) requires Federal agencies to take into account the effects of their undertakings, such as grant awards, and to afford the Advisory Council on Historic Preservation a reasonable opportunity to comment on such undertakings. In determining whether historic properties exist in the project area, the Arts Endowment is required, when necessary, to seek information from grant applicants and other "parties likely to have knowledge of or concerns with historic properties." The Federal agency is required to consult during this process with the Advisory Council and the State Historical Preservation Officer (SHPO). During the application process, the Arts Endowment may request that the applicant provide information concerning the proposed project's effect on historic properties in order to conduct an historic preservation review. If an historic preservation review is required, it will result in either a notification to the applicant and other interested parties (who have knowledge or concerns with the historic properties involved) of no effect on historic properties or a finding of adverse effects on historic properties. A finding of adverse effect requires a consultation on ways to avoid or reduce the adverse effects. The consultation will include the Arts Endowment, the applicant, the SHPO, sometimes the Advisory Council and other interested parties.

Other Programs of Interest

Overall information about the Endowment and its programs is contained in Guide to the National Endowment for the Arts, available from the Endowment Public Information Office. For further information about a particular program, call the number provided or write:

_____(Appropriate Program Name)
National Endowment for the Arts
Nancy Hanks Center
1100 Pennsylvania Avenue, N.W.
Washington, DC 20506

Advancement Program

The Advancement Program assists organizations of artistic excellence to eliminate deficiencies in organizational management and take steps toward the achievement of long-range goals. This is done through a two-phase program of Planning/Technical Assistance and Advancement Grants. Advancement Grants are matched 3:1. (202/682-5436)

Arts in Education

The Arts in Education Program is designed to advance the arts as a part of basic education through cooperative planning and programming by Federal, state, and local arts, arts education, and education agencies, organizations, and personnel. For more information, contact your state arts agency or the Endowment's Arts in Education Program. (202/682-5426)

Dance

The Dance Program offers assistance to choreographers and to dance companies and organizations that present or serve dance. (202/682-5435)

Design Arts

The Design Arts Program supports a variety of projects in architecture, landscape architecture, urban design and planning, historic preservation, interior design, industrial and product design, and graphic design. The program offers grants to organizations and individuals. (202/682-5437)

Expansion Arts

The Expansion Arts Program supports professionally-directed arts organizations of high artistic quality which are deeply rooted in and reflective of the culture of culturally diverse, inner city, rural, or tribal communities. (202/682-5443)

Folk Arts

The Folk Arts Program assists the presentation and documentation of traditional arts and artists. (202/682-5449)

Inter-Arts

The Inter-Arts Program supports arts projects and organizations which involve two or more arts disciplines. Funds are available for presenting organizations, artist communities, service organizations, and artists' projects: new forms (projects involving the creation and production of new work that explores the boundaries between arts disciplines, traditions, and/or cultures). (202/682-5444)

Literature

The Literature Program assists individual creative writers and literary translators, encourages wider audiences for contemporary literature, and assists nonprofit literary organizations. (202/682-5451)

Locals Program

The Locals Program assists designated local arts agencies to develop long range programs for support of the arts in a community, county, or multi-county region through Local Grants and State-Local Grants. In addition, Leadership Training and Services Grants and Planning and Professional Staff Grants are also available. (202/682-5431)

Media Arts: Film/Radio/Television

The Media Arts Program offers assistance to individuals and nonprofit organizations involved in film, video, radio, and television. (202/682-5452)

(Continued on next page)

Museum	The Museum Program funds projects of artistic significance in the museum field, including special exhibitions, catalogues, and educational and other outreach projects. (202/682-5442)
Music	The Music Program provides support for the performance and creation of music, with an emphasis on assisting the growth of American music and musicians. The program offers fellowships to individuals and support to organizations. (202/682-5445)
National Endowment Arts Administration Fellowships	Individuals with administrative experience in arts organizations (such as literary, visual, media, design, and performing arts groups, museums, foundations, and public arts agencies) may be eligible for 11-week fellowships at the Endowment's offices in Washington, DC. Participants work as members of the Endowment's staff and attend seminars and meetings with arts leaders. They may be assigned special projects or assist in the daily activities of an Endowment program or division. Fellows become acquainted with the Endowment's policies and operations and gain a national overview of arts activities. (202/682-5786)
Opera-Musical Theater	The Opera-Musical Theater Program assists the production of opera and musical theater, the development and performance of new and seldom-produced works, and the broadening of audiences through touring. (202/682-5447)
States Program	The States Program assists state art agencies, regional groups of state arts agencies, and organizations providing services at a national level to state and regional arts agencies. (202/682-5429)
Theater	The Theater Program offers support to nonprofit professional theater companies, presenters of nonprofit professional touring companies, and professional theater training programs, as well as fellowships for playwrights and solo theater artists. (202/682-5425)
Visual Arts	The Visual Arts Program offers fellowships to professional artists working in a wide range of media. Support is also available for visual artist organizations and for forums, including residencies, seminars, workshops, and publications. (202/682-5448)
Office for Special Constituencies	The Office for Special Constituencies assists individuals and organizations in making arts activities accessible to older adults, disabled people, and those in institutions. You may contact the Office (202/682-5532 or 202/682-5496 Voice/TDD) for assistance and materials, including model project guidelines and examples of how arts groups make their programs available to special constituencies. Copies of The Arts and 504 (a how-to handbook for making the arts accessible to disabled people) may be obtained from the Government Printing Office, Superintendent of Documents, Washington, DC 20402, for $3.75 each (specify stock number 036-000-00047-3).

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International Projects

The Endowment is interested in encouraging pilot international exchange projects that:

-- assure that the excellence, diversity, and vitality of the arts in the U.S. are represented in appropriate venues around the world;
-- help a wide range of American artists and arts institutions maintain access to important international cultural activities;
--expose greater numbers of Americans to the international influences within America culture; and
-- promote the formation of partnerships between diverse American and foreign arts institutions.

U.S. Information Agency Arts America Program

Under a Memorandum of Understanding signed in 1978, the discipline panels of the Arts Endowment serve as artistic advisors to the United States Information Agency Arts America Program for its circulating exhibitions. In addition, in response to requests from U.S. embassies overseas, Arts America develops touring programs which involve a limited number of highly recommended performing artists. Occasionally, the USIA may be able to provide some facilitative assistance for companies and individuals who have arranged tours abroad. Send your confirmed overseas touring schedules directly to:

Arts America Program
U.S. Information Agency
301 4th Street, S.W.
Washington, DC 20547

Fund for U.S. Artists at International Festivals and Exhibitions

The Rockefeller Foundation, The Pew Charitable Trusts, the United States Information Agency, and the Arts Endowment sponsor this Fund to provide assistance to performing artists invited to international festivals abroad and to fund U.S. representation at major international exhibitions of visual art. Individual performers and performing arts groups who have been invited to international festivals and who need additional support to make their performances possible should contact Arts International (809 United Nations Plaza, New York, New York 10017; 212/984-5370) or the Office for International Activities (202/682-5422) for further information.

International Exchange Fellowships

Five fellowships for work and study in Japan are awarded each year to American artists in various disciplines. Outstanding practicing artists for whom the opportunity to live and work in Japan for six months would be beneficial must apply through the appropriate discipline program.

A similar exchange opportunity for up to ten artists each year has been established with France.

For more information on international initiatives, please contact the appropriate discipline program or the Office for International Activities. (202/682-5422)

Application Information

Legal Requirements

By law, the National Endowment for the Arts may support only those organizations that:

- Are tax-exempt.[1] Organizations qualifying for this status must meet the following criteria:

  (1) No part of net earnings may benefit a private stockholder or individual.

  (2) Donations to the organization must be allowable as a charitable contribution under Section 170(c) of the Internal Revenue Code of 1954, as amended. A copy of the IRS determination letter for tax-exempt status or of the official document identifying the Applicant organization as a unit of either state or local government must be submitted with each application.

- Compensate professional personnel, laborers, and mechanics on Arts Endowment-supported projects at no less than prevailing minimum compensation as defined by the Secretary of Labor in parts 3, 5, and 505 of Title 29 of the Code of Federal Regulations. A copy of part 505 is available from the Endowment's Grants Office upon request.

- Comply with the Federal requirements specified in "Assurance of Compliance" below.

[1] Generally speaking, in American Samoa, Guam, the Northern Mariana Islands, and the U.S. Virgin Islands, U.S. tax laws have an application similar to that in the United States. However, in the Commonwealth of Puerto Rico, owing to special income exemptions, the application differs. Nevertheless, in all these areas arts organizations should be aware of their need to obtain tax-exempt status in order to qualify for Endowment support. Applications and inquiries concerning this matter may be made to the Internal Revenue Service's Exempt Organizations Office, 31 Hopkins Plaza, Baltimore, Maryland 21201 (301/962-2590).

Assurance of Compliance

By signing the application, the Applicant **agrees** that it will comply with Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.), Section 504 of the Rehabilitation Act of 1973 (229 U.S.C. 794), the Age Discrimination Act of 1975 (42 U.S.C. 6101 et seq.) , and, where applicable, Title IX of the Education Amendments of 1972 (20 U.S.C. 1681 et seq.) as well as all regulations of the National Endowment for the Arts issued pursuant to these statutes. Title VI, Section 504, and the Age Discrimination Act prohibit discrimination on the basis of race, color, national origin, handicap, or age in any operations or activities of a recipient of Federal financial assistance. Title IX prohibits discrimination on the basis of sex in any education program receiving Federal financial assistance. The Applicant **thereby gives assurance** that it immediately will take any measures necessary to comply.

The assurance with regard to the above laws and regulations shall obligate the Applicant for the period during which the Federal financial assistance is extended. There are two exceptions. If any personal property is acquired with Endowment assistance, this assurance shall obligate the Applicant for the period during which it retains ownership or possession of that property. If any real property or structure is improved with Endowment support, this assurance shall obligate the Applicant or any transferee for as long as the property or structure is used for the grant or similar purposes.

(Continued on next page)

Assurance of Compliance, continued

In addition, as required by regulations implementing Executive Order 12549, "Debarment and Suspension," the Applicant certifies, by submission of this application, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency. It further agrees by submitting this proposal that it will include this clause without modification in all lower tier covered transactions (excluding contracts under $25,000), solicitations, proposals, contracts, and subcontracts. Where the Applicant or any lower tier participant is unable to certify to this statement, it shall include an explanation as part of the application package.

Further, as required by the Drug-Free Workplace Act of 1988 (41 U.S.C. 701 et seq.; also implemented through the Debarment and Suspension regulations), the Applicant also certifies that it will provide a drug-free workplace by:

(a) publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition;
(b) establishing an ongoing drug-free awareness program to inform employees about--
  (1) the dangers of drug abuse in the workplace;
  (2) the grantee's policy of maintaining a drug-free workplace;
  (3) any available drug counseling, rehabilitation, and employee assistance programs; and
  (4) the penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;
(c) making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph (a);
(d) notifying the employee in the statement required by paragraph (a) that, as a condition of employment under the grant, the employee will--
  (1) abide by the terms of the statement; and
  (2) notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;
(e) notifying the agency in writing, within ten calendar days after receiving notice under subparagraph (d)(2) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to the grants officer as well as the grant number(s) of each affected grant;
(f) taking one of the following actions within 30 calendar days of receiving notice under subparagraph (d)(2), with respect to any employee who is so convicted--
  (1) taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or
  (2) requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;
(g) making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs (a), (b), (c), (d), (e), and (f).

The grantee should maintain on file the site(s) for the performance of work done in connection with the specific grant listing street address, city, county, state and zip code. If this information is being submitted as part of your routine application materials, then disregard.

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Assurance of Compliance, continued

Explanation and Definitions

1. The time frame of when you are required to have a drug-free workplace program in place varies depending on the length of the grant project, as follows: (1) for a grant of less than 30 days performance duration, grantees shall have this policy statement and program in place as soon as possible, but in any case by a date prior to the date on which performance is expected to be completed; (2) for a grant of 30 days or more performance duration, grantees shall have this policy statement and program in place within 30 days after award; (3) where extraordinary circumstances warrant for a specific grant, the grants officer may determine a different date on which the policy statement and program shall be in place.

2. "Employee" means the employee of a grantee directly engaged in the performance of work under the grant, including: (1) all "direct charge" employees; (2) all "indirect charge" employees, unless their impact or involvement is insignificant to the performance of the grant; and (3) temporary personnel and consultants who are directly engaged in the performance of work under the grant and who are on the grantee's payroll. This definition does not include workers not on the payroll of the grantee (e.g., volunteers, even if used to meet a matching requirement; consultants or independent contractors not on the payroll; or employees of subrecipients or subcontractors in covered workplaces).

3. For purposes of the Drug-Free Workplace Act of 1988, alcohol is not considered a controlled substance.

Note that Section 5301 of the Anti-Drug Abuse Act of 1988 (P.L. 100-690) provides for the denial of prospective Federal benefits, such as Arts Endowment grants, to individuals convicted of drug trafficking or possession, at the discretion of Federal and State sentencing courts. If you have any questions about this matter, please contact the Endowment's Office of General Counsel at 202/682-5418.

This assurance is given in connection with any and all financial assistance from the Endowment after the date this application is signed. This includes payments after such date for financial assistance approved before such date. The Applicant recognizes and agrees that any such assistance will be extended in reliance on the representations and agreements made in this assurance, and the United States shall have the right to seek judicial enforcement of this assurance. This assurance is binding on the Applicant, its successors, transferees, and assignees, and on the authorized official whose signature appears on the application.

Special Note

If you are recommended for a grant of more than $100,000, Section 319 of Public Law 101-121 regarding restrictions on lobbying applies. This law establishes restrictions beyond those already in effect. Before such an award, or any amendment thereto, can be made, you must provide the Endowment with certain materials. The Endowment's Grants Office will contact you with further information as necessary.

Reporting Burden

Public reporting burden for this collection of information is estimated to average 80 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to: Program Coordination Office, Room 628, National Endowment for the Arts, Nancy Hanks Center, 1100 Pennsylvania Avenue, N.W., Washington, DC 20506; and to the Office of Management and Budget, Paperwork Reduction Project (3135-0074), Washington, DC 20503.

Application Instructions

Before proceeding, carefully review each of these questions as they relate to your organization and/or consoritum member(s). If you answer any of them affirmatively, phone the Challenge Grant Program at 202/682-5436.

1. Will the organization have an active National Endowment for the Humanities Challenge Grant or pending Challenge Grant application to the National Endowment for the Humanities at any time during the review period for this Challenge III application or anticipated Challenge III grant period? (See page 7.)

2. Is the organization or any member of its consortium unable to meet all of the eligibility requirements on pages 6-7?

3. Will the applicant be requesting any exceptions to the general matching requirements on pages 9-10?

4. Will this be a consortium application? (See pages 11-12.)

5. Will this be the organization's first application to the Arts Endowment since February 1989? (See page 12.)

6. Will this application contain a request for any construction, renovation, equipment or building purchase-related activity? (See page 6.)

7. Does the organization or any member of its consortium have a current Arts Endowment Challenge Grant? (See page 7.)

8. Is the applicant or any member of its consortium a sub-unit of a larger organization/agency (i.e., a museum or presenting organization within a university)? (See page 27.)

General Instructions for Completing Application

Questions about the application package or procedures should be addressed to the Challenge Grant Program at 202/682-5436. Questions can also be directed to the Arts Endowment program to which the proposed project most directly relates. Telephone numbers for the programs are listed on the inside front cover of these guidelines. Brief descriptions of the Arts Endowment programs are provided on pages 15-17.

The **original and three copies** (unless noted otherwise) of the application package must be received no later than March 5, 1991.

All material must be 8-1/2" x 11" on single-sided sheets of paper (except design submission materials, catalogues, etc., if applicable) with at least a 1/2" margin around all typed pages. Do not bind or staple the application package; one large binder clip or rubber band for each set will be sufficient. Do not reduce type to the point it is unreadable and keep in mind that the copies submitted must be legible enough to recopy.

Application materials should be assembled in the order and format specified on the Application Checklist (see page 43).

Application packages must be **received** by the Challenge Grant Program by 5:30 p.m. E.S.T. March 5, 1991; this is not a postmark date.

Mail the application packages to:

Challenge Grant Program, Room 617
National Endowment for the Arts
Nancy Hanks Center
1100 Pennsylvania Avenue, N.W.
Washington, DC 20506

If an overnight delivery service is used, use 20004 as the zip code.

The Endowment will not accept any application materials by electronic transmission (e.g., FAX).

Requests for deadline extensions will not be honored. Late applications will be returned. Incomplete applications are unlikely to be funded.

Revisions to Applications

Revisions will not be accepted unless:

1. The revisions are relevant to the proposed project and are the result of events occurring after the application deadline, and the changes are justified and documented as such; or

2. The revisions are specifically requested by the Arts Endowment.

Note to current Challenge Grantees:

Organizations/agencies planning to conclude a current Arts Endowment Challenge Grant must submit an acceptable Final Report, including audited financial statements, no later than this application deadline. If you think you may be eligible to close out your current Challenge Grant, please call the Challenge Grant Program at 202/682-5436.

Application Materials

Application materials should be assembled in the order and format specified on the Application Checklist (see page 43).

ORGANIZATION/AGENCY OR LEAD MEMBER OF A CONSORTIUM

The applicant organization/agency or, for a consortium application, the lead member of a consortium must submit **one original and three copies** (except as noted below) of the following:

1. The completed Application Checklist (original only) on page 43.

2. The **original and four copies** of the Project Application, Form A1, on pages 45-47. Instructions for completing Project Application, Form A1, are on page 26.

3. The **original and three copies** of Form A1 required attachments listed below.

   Answer the questions or provide the information requested for each of the following. Do not exceed the page limits indicated for each item.

   a. Project narrative. Describe the project, including how it will be implemented and who will benefit from it; provide demographics for targeted audience(s) or populations to be served. Specify how the project addresses the review criteria for the selected project objective. Where applicable, specify efforts to include minorities in governance and personnel and to reach a broad segment of the community. Do not exceed six pages.

      NOTE: For access projects, include a description of specific marketing or audience development plans. For support systems projects, include a description of the organization/agency's selection process (if recipients of funds are pre-selected, please provide a list).

   b. Biographical summaries of key personnel. Provide a one-paragraph biographical sketch for each of the key personnel involved in the project. Do not exceed a total of two pages.

   c. Statement on how Challenge and matching funds will be utilized. Describe how the Challenge and minimum required matching funds (3:1 or 4:1) will be utilized. Do not exceed one page.

   d. If requested amount is more than $50,000, statement on how the Challenge III project would be altered if a grant were awarded at an amount less than requested. Indicate what specific changes would be made to the Challenge III project if awarded a grant amount which is a 25% reduction in the requested amount. Indicate what changes would be made with a 50% reduction of the requested amount. Address each potential situation separately. Would the scope of the project be reduced proportionately; would specific portions of the project be abandoned; would the reduced amount be replaced through additional fundraising; or would the grant and its match be applied to a specific portion of the project? Do not exceed a total of two pages.

(Continued on next page)

Application Materials, continued

e. Fundraising plan and anticipated sources of any match. Attach your fundraising plan and a list of sources anticipated to match this grant in accordance with the matching requirements on pages 9-10 of these guidelines. Also describe how the project will be sustained after the period of Challenge support. Do not exceed five pages.

f. Applicant's mission statement.

g. Summary history of the applicant organization/agency. Do not exceed two pages.

4. The **original and three copies** of the Project Application, Form A2, on pages 49-51. Instructions for completing Project Application, Form A2, are on pages 33-36.

5. The **original and three copies** of the Project Budget, Form B, on pages 53-65. Instructions for completing Project Budget, Form B, are on pages 37-39.

6. The **original and three copies** of a justification for any exception to the matching requirements, if applicable.

7. The **original and three copies** of Required Attachments a-g as specified on pages 27-28.

8. The **original** (unless otherwise specified) of the Program Materials specified on pages 29-32.

9. For consortia applications only, the **original and three copies** of the consortium agreement. The lead organization/agency must provide a copy of an agreement (signed by all parties) which demonstrates the nature of the commitments and extent of cooperation among consortium members and between the members and the lead organization/agency. This document should address:

   a. The roles of the lead organization/agency and each member of the consortium for the project.

   b. The financing and administrative responsibilities of each party.

   c. The method for determining how matching funds will be documented by each party and how Challenge III funds will be disbursed to each party.

   d. The amount of Challenge III funds each party will receive should all conditions of the agreement be met. The total of all individual amounts to be received by the parties must equal the total Challenge III funds requested.

   e. If the match will be raised by the members, the amount for which each member is responsible. Provide a chart displaying Federal and matching shares per each member of the consortium including the lead organization/agency.

10. Data and Application Acknowledgment Cards (original only) on the back cover of these guidelines.

(Continued on next page)

Application Materials, continued

CONSORTIUM MEMBERS

Each member of a consortium except the lead member must submit the following:

1. The **original and four copies** of Consortium Member Information, Form C1, on page 67. Instructions for completing Consortium Member Information, Form C1, are on page 39.

2. The **original and three copies** (unless otherwise specified) of Required Attachments a-l as specified on pages 27-28.

3. The **original** (unless otherwise specified) of the Program Materials specified on pages 29-32.

4. The **original and three copies** of Consortium Member Information, Form C2, on pages 69-71. Instructions for completing Consortium Member Information, Form C2, are on page 40.

APPLICATIONS FOR CONSTRUCTION OR RENOVATION PROJECTS

An organization/agency applying for construction or renovation must submit the following:

1. The **original and four copies** of Design Submission, Form D, on page 73. One copy must be the typed, signed original. Instructions for completing the Design Submission, Form D, are on pages 40-42.

2. One copy each of Required Attachments a-j as specified in "Instructions for the Design Submission and Form D" on pages 40-42.

How the Materials Will Be Used

The Challenge Grant Program, the appropriate program area office, the Information Management Division, and the firm or individual selected to conduct Challenge feasibility assessments will be reviewing copies of your application for a variety of different purposes. Additional copies of portions of the application may also be made from time to time. Panelists will receive panel books comprised of copies of all applications submitted in a given program area. It is most important to present clean, legible information which will make clear, readable copies. See "General Instructions for Completing Applications" on page 22 for additional information on putting the application package together.

Instructions for Completing Project Application Form A1

These instructions relate to the form on pages 45-47. Items are self-explanatory unless described below.

1. **Applicant (legal name).** The legal name of the applicant as identified in the IRS determination letter for tax-exempt status or in the official document identifying the organization as a unit of either state or local government. The applicant is the organization/agency submitting and signing the application even if funds are passed on to another organization, agency, or individual.

   For consortium applications, provide the lead organization/agency information.

   Popular Name. Name by which applicant is commonly known, if different from the legal name.

   Project Director. The person with immediate responsibility for the project and who the Arts Endowment may contact regarding budgetary questions. "Title" refers to the official title of this individual.

   Telephone. The daytime telephone including area code of the "applicant" or "project director."

2. **Check Appropriate Box.** If you have not applied to any of the Arts Endowment's programs during the past two years, check "new application to NEA." If you have applied to an Arts Endowment program during the past two years and have not changed your mailing address, check the second box. If you have applied to an Arts Endowment during the past two years but have changed your mailing address, check the third box.

3. **Employer I.D. Number.** Employer Identification Number (EIN) as assigned by the Internal Revenue Service. Do not use a Social Security Number.

4. **Challenge III Grant Period.** The grant period is the time during which a grantee raises, receives, and expends all Federal and matching funds for the project.

   Generally, grant periods may range from one to four years, although the project may continue in perpetuity. The grant period may begin no earlier than November 1, 1991. The end date of the grant period must correspond to the end of the applicant's fiscal year.

6. **Certification of Authorizing Officials.** The application must be signed by an official of the applicant organization/agency (or consortium member, Form C) with authority to legally bind the applicant. The signatures of the chair of the board, commission or council and the project director are required. Carefully read the legal requirements on page 18 before signing the certification.

7. **Project Objective under which support is requested.** Applicants must choose the primary project objective under which support is requested. The four Challenge III project objectives are described on page 5. Check only one.

Required Attachments

Organizations/agencies and lead members of a consortium must submit an **original and three copies** (unless otherwise specified) of attachments a-g below. Each member of a consortium other than the lead member must submit an **original and three copies** (unless otherwise specified) of attachments a-i below. Please assemble the required attachments in the order and format specified on the Application Checklist on page 43.

a. **Endorsement letter.** A letter signed by the chair or president of the board, commission or council indicating that body's full knowledge and support of the Challenge III project proposal.

b. **Staff list**. Provide list (name and title only) of key personnel of applicant organization/agency.

c. **Board list**. Provide list of board members with affiliations and phone numbers.

d. **Organization chart**.

e. **Audited financial statements**. **Two copies** of the applicant's (or, for consortia applications, each consortium member's) audited financial statements for its most recently completed fiscal year. Applicants must also submit audited financial statements when they become available for fiscal years completed during the Challenge III application review process.

Internal financial statements are required for an agency of state or city government, as well as for sub-units of organizations, such as a museum or presenting organization within a university. Internal financial statements must be approved by an authorized official of the state, city or institution to which this grant award would be made. Also include **two copies** of the audited financial statements for the university or other entity.

Special Note. If the applicant does not have independent audited financial statements and the entity was not organized solely for the purpose of undertaking the proposed Challenge III project, the applicant must:

1. Submit internally prepared financial statements for its most recently completed fiscal year which must be approved by the treasurer or chair of the board, commission, or council. Internally prepared financial statements should contain a balance sheet, a statement of income and expenses, and a statement of changes in fund balance.

2. Make arrangements to have an independent audit performed on its fiscal year which ends prior to the start of the proposed Challenge III Grant period. The applicant must submit a copy of an engagement letter signed by a certified public accountant (CPA) indicating that the examination of the financial statements will be performed in accordance with generally accepted auditing standards (GAAS) and an opinion will be rendered on them.

   The resulting audited financial statements must be received by the Arts Endowment no later than the end of the fourth month after the end of the applicant's fiscal year.

(Continued on next page)

Required Attachments, continued

f. **Current long-range institutional management and artistic plan**.

g. **Documentation of tax-exempt status**. **Two copies** of the IRS determination letter of tax-exempt status or documentation identifying the applicant as a unit of government.

FOR CONSORTIA APPLICATIONS ONLY:

In addition to attachments a-g above, each member of a consortium other than the lead member must submit an **original and three copies** of the following:

h. **Consortium member's mission statement**.

i. **Summary history of the consortium member**.

Program Materials

All applicants (including consortium members) must submit one copy of the following, unless otherwise noted, for the Arts Endowment program to which the project most directly relates.

Arts in Education: As appropriate, curriculum outlines, course syllabi, audio-visual documentation of educational programs, or other supporting material related to the proposed project.

Dance: No material required at the time of application, but may be requested upon receipt and review of proposed project.

Design Arts (other than design submission): One page list of 1990/91 programming and one page list of projected 1991/92 programming. Sample brochures.

Expansion Arts: One page list of 1990/91 programming and one page list of projected 1991/92 programming. Sample brochures.

Folk Arts: One page list of 1990/91 programming. Sample brochures.

Inter-Arts:

- Artist Communities

  -- For your most recently completed fiscal year and current year-to-date, **two copies** of: (1) a numerical summary by discipline of artists who have stayed at the artist community and (2) a brief biographical sketch of each artist, as well as a description of work undertaken while in residence at your facilities.

  -- **Two copies** of a list of names, with professional qualifications, of members of the Selection Committee, together with a one-page description of how they are selected and the basis on which they are rotated.

  -- **Two copies** of a two-page description of the full admission procedure for artists, including detailed information on methods used to recruit artists. Please include the form artists use to apply.

  -- **Two copies** of a brief history of the artist community, not to exceed two pages.

  -- **Two copies** of a brief description of your community's returning-residents policy.

(Continued on next page)

Program Materials, continued

- Multidisciplinary Arts Presenting Organizations

  -- Sample brochures from the 1990/91 and 1991/92 (if available) seasons.

  -- **Two copies** of a comprehensive one-page listing representative of what you consider to be the full range of your 1990/91 season's programming, using the format and codes listed below. Please group these listings by art form.

  -- **Two copies** of a one-page listing, using the same format, representative of your projected programming for 1991/92. Please group these listings by art form. If 1991/92 programming has not been fully established, please provide projections to the best of your ability (identify with an asterisk those engagements that are firm), and indicate whether any changes in programming philosophy are anticipated.

  For both listings, please indicate any presentations which are co-sponsored with other organizations or represent commissioned work and explain. As space permits, please note specific repertoire presented or projected. See sample below.

SAMPLE:

Performing Artists/ Company or Exhibition (include production company)	City/ State of Origin	Number of Performances	Method of Engagement (use codes below)
1. John Doe Dance Co.	New York, NY	5	01
2. Jane Doe Exhibit	Seattle, WA	N/A	01
3. Doe Symphony	Lawrence, KS	2	05
4. Jane Doe Theatre Co. production of "_____"	San Antonio, TX	6	03

Method of Engagement Codes

01 Contracted fee.
02 Box office percentage.
03 Contracted fee plus box office percentage.
04 No fee paid to artist.
05 Artist/company self-presented (no rental fee paid by artist).
06 Artist pays rental fee for facility.

- Other applicants (e.g., service organizations that provide services to constituents in more than one arts discipline, arts producing organizations): Contact the Inter-Arts Program at 202/682-5444 well before the application deadline.

(Continued on next page)

Program Materials continued

Locals Program: Most recent guides to programs, newsletters, and annual reports.

Media Arts: Either three or four program sample tapes of five minutes each or a sampler tape of 20 to 30 minutes of programming produced by the applicant.

Museum: A selection of permanent and special exhibition catalogues published by the applicant; 20 slides of works of art to be included in the project; a list of artistic programming for 1990/91 and projected for 1991/92 including special exhibitions, installations from permanent collections, publications, and educational programs.

Music:

- For ensembles (orchestras, chamber music ensembles, new music ensembles, jazz ensembles, choruses): **two copies** of one cassette of unedited performances conducted by the music director (where appropriate) to include at least two works of contrasting styles which typically represent repertoire of the applicant organization. Also, **two copies** of a list of the programs from the 1988/89, 1989/90, and 1990/91 seasons; list the programs by date of performance and identify each work and composer.

- For festivals (for definition of a festival refer to the Music Program Presenters and Festivals guidelines): **two copies** of one composite cassette representative of recent festival presentations in at least two different program areas. Cassettes should be of recent (within the past two years), unedited performances conducted by the music director of the festival. **Two copies** each of programs and brochures for the 1988, 1989, and 1990 seasons and **two copies** of a list of programs by date of performance, work, and composer.

- For presenters (for definition of a presenter refer to the Music Program Presenters and Festivals guidelines): **two copies** of one composite cassette representative of proposed artists whose work may not be familiar to the panelists. **Two copies** each of programs and brochures for the 1988/89, 1989/90, and 1990/91 seasons and **two copies** of a list of programs by date of performance, work, and composer.

- For Music Professional Training Institutions: **two copies** of one cassette of student performances by ensembles and soloists associated with your institution. Also, **two copies** each of your institution's catalogue or bulletin for the 1990/91 academic year, and, if available, for 1991/92. Also, **two copies** of a list providing the name and current professional affiliation(s) of each individual who has graduated in the past five years.

- For Career Development Organizations for Solo Recitalists: **two copies** of a list of solo recitalists assisted by your organization during the 1988/89 and 1989/90 seasons and samples of promotional materials used. Also, **two copies** of your 1990/91 brochure and a list of those recipients already chosen for assistance during the 1991/92 and 1992/93 seasons.

- For Music Recording: For recording companies, one copy of no more than two different recordings previously released. Label each recording with the applicant's name. For distribution and recording companies, **two copies** of the current catalog or complete discography.

(Continued on next page)

Program Materials, continued

- For Centers for New Music Resources: **two copies** of one cassette of at least two works created at the center and a full list of compositions created at the center within the last five years (1986-90). Also, **two copies** each of a list of resident composers for the past five years and/or those composers using the center for the past five years.

How to submit cassettes: It is to your advantage to make certain that the audio cassette you submit (in duplicate) is of the highest possible artistic and audio quality.

Use high bias chrome or metal tapes; do not use voice quality tapes. Note on the cassette whether or not you have used a noise reduction system and indicate what kind. Record works on one side only, not exceeding a total of 45 minutes. Label each cassette with applicant's name and address, name of conductor (where appropriate), composers' names, titles of works, dates of performances recorded, and accumulated elapsed time. Cassettes will not be returned.

Opera-Musical Theater: Lists of fully staged opera and opera-musical theater repertoire to include names of works, composers, librettists, and numbers of performances for leading performers (singers, conductors, etc.) for the following seasons: 1989/90, 1990/91, 1991/92, and 1992/93.

States Program: Most recent guides to programs, newsletters, and annual reports.

Theater:

- Theater companies

  -- Theater companies that have applied to the Professional Theater Companies category for FY 91 funding: **Two copies** of an updated version of pages A, B, and C of the Professional Theater Companies Supplementary Information Sheet.

  -- Theater companies that have not applied to the Professional Theater Companies category for FY 91 funding: Contact the Theater Program (202/682-5425) to obtain FY 91 Theater guidelines with the Professional Theater Companies Supplementary Information Sheet.

- Other applicants: No special program area materials are required from applicants other than theater companies.

Visual Arts: Twenty slides documenting work presented or produced by the applicant since March 1990. Submit all slides in a 9" x 11" clear plastic slide file sheet and provide a complete script. In addition, submit examples of catalogues, publications, announcements, or posters for recent programs, a listing of your visual arts programming since March 1990, and a listing of projected programming for the coming year.

Instructions for Completing Project Application Form A2

These instructions relate to Form A2 on pages 49-51 and, for consortium members, Form C2 on pages 69-71.

Applicant total fiscal activity (including project);

This section reflects the total fiscal activity of the applicant. It should include two years of historical data, the current year, and projections for four years.

Historical information should correspond to the applicant's audited financial statements. The projections should be prepared assuming that a Challenge III Grant is awarded at the amount requested.

Not every line-item will pertain to every applicant. For line-items that are not appropriate, please leave blank.

Provide footnotes on a separate page to clarify information. For example, a change in fiscal year or an explanation of inter-fund transfers should be noted. Applicants must also note any in-kind income or expenditures and the amount(s) in the footnotes. In-kind is defined as the value of goods and services which are provided at no cost to the applicant.

An applicant which is a sub-unit of a larger organization/agency (i.e., a museum or presenting organization within a university) should call the Challenge Grant Program at 202/682-5436 to discuss the financial presentation.

Provide all dollar amounts in thousands.

A. OPERATING/UNRESTRICTED AND RESTRICTED

If unrestricted and restricted operating funds are separately reported by your organization, the following amounts should represent a consolidation of these operating funds.

1. **Revenue and Support.** Report all revenue and support according to the following major categories. Historical figures should agree with amounts presented in audited financial statements. Be sure that these categories are consistently used for all the years reported.

    a. Contributions. Include gifts received from private sector sources. Examples include board members, other individuals, corporations. For public arts agencies, include appropriations in this line.

    b. Grants. Include gifts received to support a specific purpose. Examples include foundations, local arts agencies, state arts agencies, and governments.

    c. NEA Grants. Include all grants received from the National Endowment for the Arts.

    d. Federal Challenge III Funds. Include the grant amount requested in the year of anticipated expenditure.

    e. Revenue. Include all earned income. Examples include sale of admissions, tickets, subscriptions, memberships, dues (in certain circumstances); sale of services to organizations or contracts; rental income, gift shop income, advertising space in programs; and revenue derived from investments held in the operating fund(s).

(Continued on next page)

Instructions for Completing Project Application Form A2, continued

2. **Expenditures.** Report all program or service delivery costs according to the following major categories. Be sure that these categories are consistently used for all the years reported.

   a. Personnel (including fringe benefits). Include salaries, wages, and fringe benefits for all permanent employees. Consultants and other contractors should be placed under d. "Fees and Other".

   b. Supplies and Materials. Include consumable supplies, raw materials and items costing less than $5,000 per unit or with an estimated useful life of one year or less. Examples include paper, pens, software, props, material for costumes, theatrical lights, construction materials.

   c. Travel and Subsistence. Include expenditures for permanent employees and consultants. Footnote any foreign travel.

   d. Fees and Other. Include services of independent artists, consultants, honoraria, contractual services, rental of space or equipment, photocopying, postage, subgranting, rent, utilities, telephone, building contracts, mortgage payments, and transportation of items other than personnel.

   e. Permanent Equipment. Include equipment purchased at a cost of 5,000 or more per unit with an estimated useful life of more than one year. Examples include major office equipment, video and electronic music equipment, museum display cases, etc.

   f. Other reported by the operating fund(s). Include special costs, especially of the non-recurring nature, where they cannot reasonably be included above. Describe the nature of these expenditures.

3. **Results of Operations for Year.** Report surplus/(deficit) of income over expenditures for the year.

B. ANALYSIS OF CHANGES IN FUND BALANCES

1. **Operating Fund(s)/Unrestricted and Restricted**

   The following definitions apply to the information requested:

   Beginning Operating Fund(s) Balance. Report the accumulated fund balance(s) at the beginning of the fiscal year.

   Results of Operations for the Year. Report the surplus (deficit) of operating income over operating expenditures for the year.

   Inter-Fund Transfers. Record transfers between separate funds. Please note that every transfer will require two counterbalancing entries--one to notate the transfer-out of one fund (as a negative amount) and one to notate the transfer-in to another fund (as a positive amount).

   Ending Operating Fund(s) Balance. Report the accumulated surplus (deficit) for the operating fund(s) at the close of a given fiscal year. This same figure is reported as the beginning fund balance(s) for the following fiscal year.

(Continued on next page)

Instructions for Completing Project Application Form A2, continued

2. Endowment Fund

The following definitions apply to the information requested:

Beginning Endowment Fund Balance. Report the accumulated endowment fund balance at the beginning of the fiscal year.

Challenge III Matching Funds. Include new or increased contributions received to establish/augment an endowment fund which will be used to match the Challenge III Grant.

Federal Challenge III Funds. Report the grant amount requested to establish or augment the endowment fund. Note: If the Challenge Grant request seeks support solely for an endowment fund, 25% of Federal funds will be released only upon successful completion of the Challenge Grant.

Realized Gain on Securities. For historical financial data, report realized gain(s) resulting from the sale of securities.

Other. For historical financial data include earned (except for realized gains reported above) and contributed income reported in the endowment fund. During the Challenge Grant period also include earned income and contributed income which may not be recognized as Challenge Grant matching funds.

Expenditures of the Endowment Fund. Include investment charges and fund-raising expenditures reported in the endowment fund.

Unrealized or Realized Loss on Securities. Reflect the lower of cost or market value resulting in the write-down of securities.

Inter-Fund Transfers. Record transfers between separate funds. Please note that every transfer will require two counterbalancing entries--one to notate the transfer-out of one fund (as a negative amount) and one to notate the transfer-in (as a positive amount) to another fund.

Ending Endowment Fund Balance. Report the accumulated surplus (deficit) for the endowment fund at the close of a given fiscal year. This same figure is reported as the beginning fund balance for the following fiscal year.

3. Plant Fund

The following definitions apply to the information requested:

Beginning Plant Fund Balance. Report the accumulated fund balance at the beginning of the fiscal year.

Challenge III Matching Funds. Include new or increased contributions received to establish/augment this fund which will be used to match the Challenge III grant.

Federal Challenge III Funds. Report the grant amount requested to establish or augment this fund.

(Continued on next page)

Other. For historical financial data include earnings and contributions reported in this fund. During the Challenge Grant period also include earned income and contributed income which may not be recognized as Challenge Grant matching funds.

Non-Capitalized Expenditures of the Plant Fund. Includes non-capitalized expenditures reported in the Plant fund such as depreciation.

Inter-Fund Transfers. Record transfers between separate funds. Please note that every transfer will require two counterbalancing entries--one to notate the transfer-out of one fund (as a negative amount) and one to notate the transfer-in (as a positive amount) to another fund.

Ending Plant Fund Balance. Report the accumulated surplus (deficit) for the plant fund at the close of a given fiscal year. This same figure is reported as the beginning fund balance for the following fiscal year.

4 and 5. Other Funds

The following definitions apply to the information requested:

Other Funds: Type in the name of the specific fund.

Beginning Balance. Report the accumulated fund balance at the beginning of the fiscal year.

Challenge III Matching Funds. Include new or increased contributions received to establish/augment this fund which will be used to match the Challenge III Grant.

Federal Challenge III Funds. Report the grant amount requested to establish or augment this fund.

Other. For historical financial data include earnings and contributions reported in this fund. During the Challenge Grant period also include earned income and contributed income which may not be recognized as Challenge grant matching funds.

Non-Capitalized Expenditures of the Fund. Includes non-capitalized expenditures reported in this fund.

Inter-Fund Transfers. Record transfers between separate funds. Please note that every transfer will require two counterbalancing entries--one to notate the transfer-out of one fund (as a negative amount) and one to notate the transfer-in (as a positive amount) to another fund.

Ending Fund Balance. Report the accumulated surplus (deficit) for the fund at the close of a given fiscal year. This same figure is reported as the beginning fund balance for the following fiscal year.

Instructions for Completing Project Budget Form B

These instructions relate to the form on pages 53-65.

II. Summary of estimated project costs and III. Summary of estimated project income (page 53). These figures must correspond to subtotals shown in the subsequent budget breakdown (Sections IV and V on pages 55-65).

Budget Breakdown (Sections IV and V, pages 55-65). These figures should reflect your projected cash flow for the Challenge III project. Please note that the first year column should reflect only those costs which will be incurred after the grant start date until completion of the applicant's fiscal year. For the majority of applicants this will be less than a twelve month period. For example, if an applicant's fiscal year is July 1 to June 30 and the grant start date is November 1, 1991 then the costs reflected in the first column would be from November 1, 1991 to June 30, 1992 or 8 months.

Costs of program accommodations for people with various disabilities (e.g., sign language interpreters, cassette recordings of printed materials, or large print labeling) are generally eligible project costs.

Complete the itemized Section IV, Budget Breakdown of Estimated Project Costs, and Section V, Budget Breakdown of Estimated Project Income, before completing Section II, Summary of Estimated Project Costs, and Section III, Summary of Estimated Project Income. Be sure to complete item IV.C, Total Estimated Project Costs, on page 63.

Definitions for Section II, Summary of Estimated Project Costs, and Section IV, Budget Breakdown of Estimated Project Costs

A. **Direct costs** are those which can specifically be identified with the project.

1. **Salaries and wages.** Include permanent employees (consultants and other contractors should be placed under #4, "Fees for services and other expenses").

   Salaries and wages must be estimated at rates no less than the prevailing minimum compensation rate as set out in the Code of Federal Regulations (see page 18). It is understood that the pay scale may change during the grant period.

2. **Supplies and materials.** Include consumable supplies, raw materials for the fabrication of project items, and items costing less than $5,000 per unit or with an estimated useful life of one year or less. Examples include paper, pens, software, props, material for costumes.

   Neither Federal nor matching funds can be used for entertainment (e.g., food, receptions, invitations).

3. **Travel and subsistence.** Include expenditures for permanent employees and consultants. Must be estimated according to the applicant's established travel practice, providing that the travel cost is reasonable and all travelers use transportation costing no more than coach accommodations.

   Foreign travel, if any is intended, must be specified in this section.

(Continued on next page)

Instructions for Completing Project Budget Form B, continued

4. **Fees for services and other expenses.** Include services of independent artists, consultants, honoraria, contractual services, rental of space or equipment, photocopying, postage, subgranting, rent, utilities, telephone, building contracts, mortgage payments, and transportation of items other than personnel.

   With consultant and artist fees, honoraria, or contracts for personal or professional services, please specify number of persons and applicable fee or rate.

   This section also includes:

   a. Construction of a new facility, plant additions, improvements, renovations, and expenditures having the effect of increasing the efficiency or life of a fixed asset.

   b. Any amount to be held in permanent restricted fund to support the project, such as an endowment, quasi-endowment, or cash reserve. The board, commission or council of the applicant must adopt policies and procedures necessary to insure that any Federal or matching funds are restricted for such purpose. Please include with the application documentation of the board, commission, or council's action.

   Entertainment, interest, fines and penalties, bad debt costs, contingencies, or miscellaneous are ineligible costs and must not be included.

5. **Permanent equipment.** Include equipment purchased at a cost of $5,000 or more per unit with an estimated useful life of more than one year. Examples include major office equipment, video and electronic music equipment, museum display cases, etc.

B. **Indirect costs** are those costs incurred for common or joint objectives and not readily assignable to specific activities. They may be computed by the application of an indirect cost rate established as a result of negotiation with the National Endowment for the Arts Audit Office, Nancy Hanks Center, Room 207, 1100 Pennsylvania Avenue, N.W., Washington, DC 20506, or another Federal agency.

Definitions for Section III, Summary of Estimated Project Income, and Section V, Budget Breakdown of Estimated Project Income

A. **Contributions, grants and revenues.** Challenge III Grants must be matched at least 3:1 (4:1 for renovation, construction or purchases of equipment and/or buildings), generally with new or increased contributions (public funds only appropriated specifically for the Challenge III project for public arts agencies). Specify all sources of anticipated match ing funds. In completing this section, please review "Matching Requirements" on pages 9-10.

   1. **Contributions.**

      a. Cash donations anticipated for this project. Examples include individual and corporate gifts, and net proceeds of fundraising events. Public arts agencies should include appropriations here.

      b. In-kind donations anticipated for this project. In-kind is defined as the value of goods or services which are provided at no cost to the applicant. In-kind donations must also appear as an expenditure in the project budget.

(Continued on next page)

Instructions for Completing Project Form B, continued

2. **Grants.** Include all or a pro rata share of anticipated grants either restricted or unrestricted that will be used for this project. Do not include the Challenge III funds requested for this project. A grant is generally characterized by written authority to spend up to a specified amount of money for a specified purpose. Examples include foundations, local arts agencies or governments, state arts agencies and governments.

   Other Federal or Arts Endowment grants cannot be used as part of the match for this project.

3. **Revenues.** Include monies received from producing goods or rendering services to be used on this project. Examples include ticket sales, advertising revenues, and investment income.

   Revenues received for this or any other project (with the exception of new or increased net proceeds derived from fundraising events) are not eligible sources of match for the Challenge III Grant. Therefore, generally, the total of revenues listed must be over and above the minimum required match.

B. **Total Challenge III Funds Requested.** Show Challenge III funds in the year(s) the funds will be expended.

C. **Total Estimated Project Income.** Must equal Total Estimated Project Costs.

Instructions for Completing Consortium Member Information Form C1

Each member of a consortium application must complete Form C1 on page 67; please make as many copies of the blank Form C1 as you need. Submit an **original and four copies** for each member. Items are self-explanatory unless described below.

1. Refer to the instructions for Section 1 of Form A1 on page 26.

2. **Consortium Member (legal name).** The legal name of the member as identified in the IRS determination letter for tax-exempt status or in the official document identifying the organization as a unit of either state or local government.

   Popular Name. Name by which member is commonly known, if different from the legal name.

   Contact Person. The person the Arts Endowment can contact for information about the member organization/agency. "Title" refers to the official title of this individual.

   Telephone. The daytime telephone including area code of the "member" or "contact person."

3. Refer to the instructions for Section 2 of Form A1 on page 26.

6. Refer to the instructions for Section 6 of Form A1 on page 26.

Instructions for Completing Consortium Member Information Form C2

Each member of a consortium application must complete Form C2 on pages 69-71; please make as many copies of the blank Form C2 as you need. Submit an **original and three copies** for each member. Refer to the Instructions for Completing Project Application, Form A2, on pages 33-36.

Instructions for the Design Submission and Form D

All applicants planning to request funds for construction or renovation must contact the Design Arts Program by January 15, 1991 to review the proposal and discuss the appropriate materials which must be submitted with your application package. The Design Arts Program telephone is 202/682-5437.

Required Attachments

In addition to the materials specified in "Application Materials" on pages 23-25, all applicants requesting funds for construction or renovation must also submit an **original and four copies** of Form D on page 73 and **one copy** (the original) each of the required attachments specified below. Please submit a complete set of materials in a single package. Number and label the attachments in the order listed below. This information must be presented in an orderly fashion, typed and clearly labeled. You need only provide **one copy** of each attachment. Please do not send actual models or any materials which must be returned.

a. **Program Summary.** A summary that describes the basic design intentions and includes a listing of spaces and square footage. The summary should be specific enough to permit the Design Arts panel to evaluate the schematic design proposal and it should describe the status of the project at the time of application. In an introduction clearly indicate the percent of the total program for which Arts Endowment funds are being sought.

b. **Line Drawings.** Submit 8-1/2" x 11" black and white line drawings, suitable for photocopying, that describe the proposed project. Where applicable, this should include a map of the project location, site plan, appropriate building elevations, floor plans, sections, and perspectives. Clearly label each drawing, distinguishing proposed from existing construction. (Please do not provide photostats.)

c. **Slide Presentation.** Clearly labeled architectural presentation (schematic design) drawings. This presentation must be in slide form. A complete set of schematic designs generally will include site plans, perspectives, elevations, sections, all floor plans and photographs of any architectural models. In renovation projects, clearly distinguish between existing structures and new construction for which Arts Endowment funding is requested.

(Continued on next page)

Instructions for the Design Submission and Form D, continued

All slides should be 35mm (suitable for carousel projection); slides must be clearly labeled and placed in a 9" x 11" clear plastic sheet for safe handling. Do not submit glass slides. In addition to labeling each slide, applicants should include a typed list of slides and captions for each. Submissions not accompanied by slides will be considered incomplete (except for those noted below*). No more than 20 slides should be submitted. Slides must be of high quality for viewing by the Design Arts panel.

In addition, submit no more than 10 slides depicting the location of the site. Include a map and photographs of the site, surrounding area, and existing structure(s), if applicable. Insert these slides in a second 9" x 11" slide sheet.

*NOTE: For technical projects not including overall architecture or landscape or interior design, the applicant may submit a technical description of the improvements in lieu of the slide presentation.

d. A copy of a **Design Feasibility Study,** if one has been completed. Please include an executive summary. Specifically, the feasibility study should address the following:

   1. How the facility will affect the long-range plans of the applicant, contribute to its stability, and relate to the Challenge III objective.

   2. How the proposed construction or renovation will meet the ongoing needs of the institution and contribute to, rather than tax, the applicant's resources.

e. An **Itemized Construction/Renovation Budget Estimate**, if one is not included in the feasibility study. List cost per square foot estimates in a short introduction. The submitted budget should be sufficiently detailed and reasonably correlated with the proposed design and construction or renovation.

f. **Master Plans** (where applicable). Short summaries of pertinent sections of any official master plans, long-range planning documents, market studies, urban design studies, or economic development studies which reference the building site.

   The Design Arts panel is particularly concerned with the contribution the proposed facility will make to the vitality of the area in which it is located. The applicant should provide information about existing or proposed development of the area in which the facility is or will be located. The panel will be especially concerned about the adequacy of public services (parking, mass transit, highways, etc.), the appropriateness of the scale of the facility to the area, and the anticipated economic contribution which the proposed improvement will make to the area.

g. **Resumes of Design Consultants** connected with the project and evidence of the design team's capabilities, such as firm brochures and (except for technical projects) slides of previous completed projects. These slides should be placed in a third 9" x 11" plastic sheet. If there are plans for additional consultants, please specify.

(Continued on next page)

Instructions for the Design Submission and Form D, continued

h. **Evidence of Property or Facility Ownership or Lease Agreement.** Include a copy of the long-term lease agreement or evidence of ownership.

i. **Historic Significance Report.** If the facility is listed on the National Register of Historic Places, eligible for the National Register, or listed by a local Landmarks Preservation Commission or its equivalent, or within an historic district, then complete a short historic significance report. The report should include an historical description of the building, photographs of the building, an analysis of the existing building condition, a description of the proposed changes, and written comments by the appropriate state and local historic preservation officers on the proposed project's effect on the building.

The Arts Endowment will use this information to determine whether the proposed project will have an effect on any historic structure involved. This evaluation will be conducted to satisfy the Arts Endowment's responsibilities under Section 106 of the National Historic Preservation Act (36 CFR, Part 800).

Any questions the applicant may have regarding possible effects on National Register structures should be directed first to the state historic preservation officer.

The applicant should be aware that the National Council on the Arts has recommended that the Arts Endowment encourage groups to give priority consideration to the rehabilitation and adaptation of existing buildings for use as cultural facilities. When adapting a landmark building for use as a cultural facility, special care should be paid to preserving its original quality and workmanship, both in exterior appearance and interior detail and decoration.

j. **Statement on Accessibility.** Include a statement of considerations being made for implementing a design which provides access for physically disabled people. Section 504 of the 1973 Rehabilitation Act requires that all Federally assisted programs be accessible to disabled individuals. If your project involves capital improvements, thoughtful consideration must be given to planning and implementing barrier free design. Section 502 of the 1973 Rehabilitation Act, which provides for enforcement of the 1968 Architectural Barriers Act, mandates barrier free access in Federally funded construction and renovation programs. Projects requiring funds to meet 504 regulations may be supported through the Challenge III Program only when such activity is a component of a larger renovation or new construction project.

You may refer to the Uniform Federal Accessibility Standard (UFAS) for guidance in making your building accessible. Free copies of UFAS and other information about barrier-free design in Federally supported construction programs are available from:

Architectural and Transportation Barriers Compliance Board
Office of Technical Service
330 C Street, S.W.
Washington, DC 20201
202/472-2700 (Voice/TDD)

FY 92 Challenge III
Application Checklist

Submit application materials in the order and format described below.

Use this chart as a checklist when assembling your application packages. Check off each item as it is assembled. All application packages should be clearly marked "Original," "Copy 1," "Copy 2," "Copy 3," and "Copy 4." Submit this checklist with your application.

Applicant: _____

ORGANIZATIONS/AGENCIES AND LEAD MEMBERS OF A CONSORTIUM	Original	Copy 1	Copy 2	Copy 3	Copy 4
1. Application checklist	____				
2. Project Application, Form A1 (pages 45-47)	____	____	____	____	____
3. Form A1 required attachments:					
a. Project narrative	____	____	____	____	
b. Biographical summaries of key personnel	____	____	____	____	
c. How Challenge and matching funds will be utilized	____	____	____	____	
d. How a reduced grant amount would be accommodated	____	____	____	____	
e. Fundraising plan and anticipated sources of match	____	____	____	____	
f. Applicant's mission statement	____	____	____	____	
g. Summary history of the applicant organization/agency	____	____	____	____	
4. Project Application, Form A2 (pages 49-51)	____	____	____	____	
5. Project Budget, Form B (pages 53-65)	____	____	____	____	
6. Justification for any exception to the matching requirements, if applicable	____	____	____	____	
7. Required attachments:					
a. Endorsement letter from Board, Commission, or Council	____	____	____	____	
b. Staff list	____	____	____	____	
c. Board list with affiliations and phone numbers	____	____	____	____	
d. Organization chart	____	____	____	____	
e. Audited financial statements	____		____		
f. Current long-range institutional management and artistic plan	____	____	____	____	
g. Documentation of tax-exempt status	____	____			
8. Program materials	____	(unless otherwise noted on pages 29-32)			
9. Consortium Agreement, if applicable	____	____	____	____	
10. Data and Application Acknowledgment Cards	____				

ALL NON-LEAD MEMBERS OF A CONSORTIUM					
1. Consortium Member Information, Form C1 (page 67)	____	____	____	____	____
2. Form C1 required attachments:					
a. Endorsement letter from Board, Commission, or Council	____	____	____	____	
b. Staff list	____	____	____	____	
c. Board list with affiliations and phone numbers	____	____	____	____	
d. Organization chart	____	____	____	____	
e. Audited financial statements	____	____			
f. Current long-range institutional management and artistic plan	____	____	____	____	
g. Documentation of tax-exempt status	____	____			
h. Consortium member's mission statement	____	____	____	____	
i. Summary history of the consortium member	____	____	____	____	
3. Program materials	____	(unless otherwise noted on pages 29-32)			
4. Consortium Member Information, Form C2 (pages 69-71)	____	____	____	____	

APPLICANTS REQUESTING FUNDS FOR CONSTRUCTION OR RENOVATION					
1. Design Submission, Form D (page 73)	____	____	____	____	____
2. Form D required attachments:					
a. Program summary	____				
b. Line drawings	____				
c. Slide presentation	____				
d. Design feasibility study	____				
e. Itemized construction/renovation budget	____				
f. Master plans	____				
g. Resumes of design consultants	____				
h. Evidence of property or facility ownership or lease agreement	____				
i. Historic significance report	____				
j. Statement on accessibility	____				

FY 92 Challenge III Project Application Form A1

For projects beginning no earlier than November 1, 1991

This completed original and four copies should be mailed to: Challenge Grant Program, Room 617, National Endowment for the Arts, Nancy Hanks Center, 1100 Pennsylvania Avenue N.W., Washington, DC 20506

1. **Applicant** (legal name)	2. ☐ **New Applicant** ☐ **Former Applicant with same address** ☐ **Former Applicant with change of address**
Popular name (if different)	
Address	3. **Employer I.D. Number**

City	**County**	**State**	**Zip Code**
Project Director	**Title**	**Telephone** ( )	

4. **Challenge III Grant Period: From** _____ **To** _____

5. **Total Challenge III Funds Requested:** ..... $ _____

   Total Challenge III Project Costs: ..... $ _____

   Total Challenge III Funds Requested cannot exceed 25% (20% for construction or renovation, equipment or building purchase) of the Total Challenge III Project Costs.

6. **Certification of Authorizing Officials**

   The Authorizing Official(s) certify that the information contained in this application, including all attachments and supporting materials, is true and correct to the best of our knowledge. The Authorizing Official(s) also certify that the applicant will comply with the Federal requirements specified under "Assurance of Compliance" on pages 18-20.

Chair of Board, Commission, or Council **Name** (type)	
Title (type)	**Telephone** ( )
Signature	**Date Signed**
Project Director **Name** (type)	
Title (type)	**Telephone** ( )
Signature	**Date Signed**
Payee (to whom grant payments will be sent if other than authorizing official) **Name** (type)	
Title (type)	**Telephone** ( )
Signature	**Date Signed**

FY 92 Challenge III Project Application Form A1 (Continued)

Applicant (legal name) _____

Popular Name (if different) _____

City, State _____

7. **Project Objective** under which support is requested (choose only one):

_____ Artistry _____ Access _____ Appreciation _____ Support Systems

8. **Arts Endowment program** to which the project most directly relates (choose only one).
Refer to pages 15-17 for description of programs. _____

9. **Is this a consortium application?** _____ Yes _____ No If yes, list the members of the consortium: _____

10. **Summary of Project Description (complete in space provided):**

11. **Final Reports:** Have you submitted required Final Report packages on all completed grants from any Arts Endowment Program since (and including) Fiscal Year 1984?

_____ Yes _____ No. If no, please mail immediately, under separate cover, to Grants Office/Final Reports Section to maintain eligibility. Do not include with your application package.

PLEASE SEE ALSO "APPLICATION MATERIALS" ON PAGES 23-25, "REQUIRED ATTACHMENTS" ON PAGE 27, AND " PROGRAM MATERIALS: ON PAGES 29-32 FOR ADDITIONAL MATERIALS THAT MUST BE SUBMITTED AS PART OF YOUR APPLICATION PACKAGE. LATE APPLICATIONS WILL NOT BE CONSIDERED AND WILL BE RETURNED; INCOMPLETE APPLICATIONS ARE UNLIKELY TO BE FUNDED.

Privacy Act:

The Privacy Act of 1974 requires us to furnish you with the following information. The Arts Endowment is authorized to solicit the requested information by Section 5 of the National Foundation on the Arts and the Humanities Act of 1965, as amended. The information is used for grant processing, statistical research, analysis of trends, and congressional oversight hearings. Failure to provide the requested information could result in rejection of your application.

FY 92 Challenge III Project Application Form A2

Applicant (legal name) _____

Popular Name (if different) _____

City, State _____

Applicant total fiscal activity (including Challenge III project)

This completed original and three copies should be mailed to: Challenge Grant Program, Room 617, National Endowment for the Arts, Nancy Hanks Center, 1100 Pennsylvania Avenue N.W., Washington, DC 20506

($ in thousands)

Month Fiscal Year Ends: _____

Grant Period: ___/___/___ - ___/___/___

A. OPERATING/Unrestricted and Restricted	19 ___	19 ___	19 ___	19 ___	19 ___	19 ___	19 ___
1. Revenue and Support							
a. Contributions	$	$	$	$	$	$	$
b. Grants							
c. NEA Grants							
d. Federal Challenge III Funds							
e. Revenue							
Total Revenue and Support	$	$	$	$	$	$	$
2. Expenditures							
a. Personnel (including fringe benefits)	$	$	$	$	$	$	$
b. Supplies and Materials							
c. Travel and Subsistence							
d. Fees and Other							
e. Permanent Equipment							
f. Other							
Total Expenditures	$	$	$	$	$	$	$
3. Results of Operations for Year	$	$	$	$	$	$	$

B. ANALYSIS OF CHANGES IN FUND BALANCES							
1. Operating Fund(s)/Unrestricted and Restricted							
Beginning Operating Fund(s) Balance	$	$	$	$	$	$	$
Results of Operations for the Year							
Inter-Fund Transfers							
Ending Operating Fund(s) Balance	$	$	$	$	$	$	$
2. Endowment Fund							
Beginning Endowment Fund Balance	$	$	$	$	$	$	$
Challenge III Matching Funds							
Federal Challenge III Funds							
Realized Gain on Securities							
Other (describe) _____							
Subtotal	$	$	$	$	$	$	$
Expenditures of the Endowment Fund							
Unrealized or Realized Loss on Securities							
Subtotal	$	$	$	$	$	$	$
Inter-Fund Transfers							
Ending Endowment Fund Balance	$	$	$	$	$	$	$

FY 92 Challenge III Project Application Form A2 (Continued)

Applicant (legal name) _____

Popular Name (if different) _____

City, State _____

Applicant total fiscal activity (continued)
(including Challenge III project)

Month Fiscal Year Ends: _____

Grant Period: ___/___/___ - ___/___/___

($ in thousands)

B. ANALYSIS OF CHANGES IN FUND BALANCES, continued

	19___	19___	19___	19___	19___	19___	19___
3. Plant Fund:							
Beginning Plant Fund Balance	$	$	$	$	$	$	$
Transactions which serve to increase the Plant Fund Balance:							
Challenge III Matching Funds							
Federal Challenge III Funds							
Other (describe) _____							
Subtotal:	$	$	$	$	$	$	$
Transactions which serve to decrease the Plant Fund Balance:							
Non-capitalized Expenditures of the Plant Fund	$	$	$	$	$	$	$
Subtotal:							
Inter-Fund Transfers	$	$	$	$	$	$	$
Ending Plant Fund Balance							
4. Other Funds (describe) _____	$	$	$	$	$	$	$
Beginning Balance							
Transactions which serve to increase the Fund Balance:							
Challenge III Matching Funds							
Federal Challenge III Funds							
Other (describe) _____							
Subtotal:	$	$	$	$	$	$	$
Transactions which serve to decrease the Fund Balance:							
Non-capitalized Expenditures of the Fund	$	$	$	$	$	$	$
Subtotal:							
Inter-Fund Transfers	$	$	$	$	$	$	$
Ending Fund Balance							
5. Other Funds (describe) _____	$	$	$	$	$	$	$
Beginning Balance							
Transactions which serve to increase the Fund Balance:							
Challenge III Matching Funds							
Federal Challenge III Funds							
Other (describe) _____							
Subtotal:	$	$	$	$	$	$	$
Transactions which serve to decrease the Fund Balance:							
Non-capitalized Expenditures of the Fund	$	$	$	$	$	$	$
Subtotal:							
Inter-Fund Transfers	$	$	$	$	$	$	$
Ending Fund Balance							

FY 92 Challenge III Project Budget Form B

Applicant (legal name) _____

Popular Name (if different) _____

City, State _____

This completed original and three copies should be mailed to: Challenge Grant Program, Room 617, National Endowment for the Arts, Nancy Hanks Center, 1100 Pennsylvania Avenue N.W., Washington, DC 20506

I. MATCHING RATIO

(Round to nearest $10)

	Federal Challenge III Funds		Minimum Required Match		Total
A. Renovation/Construction and Purchase of a Building or Equipment (4:1)	$ _____	+	$ _____	=	$ _____
B. All Other Project Expenditures(3:1)	_____	+	_____	=	_____
C. **Total**	$ _____	+	$ _____	=	$ _____

II. SUMMARY OF ESTIMATED PROJECT COSTS

(for entire grant period)

	Total Costs
A. Direct costs	
1. a. Salaries and wages (complete item IV.A.1.a on page 55)	$ _____
b. Fringe benefits (complete item IV.A.1.b on page 55)	_____
2. Supplies and materials (complete item IV.A.2 on page 57)	_____
3. Travel and subsistence (complete item IV.A.3 on page 59)	_____
4. Fees for services and other expenses (complete item IV.A.4 on page 61)	_____
5. Permanent equipment (complete item IV.5 on page 63)	_____
6. Total direct costs	$ _____
B. Indirect costs (complete item IV.B on page 63)	$ _____
C. Total estimated project costs (complete item IV.C on page 63)	$ _____

III. SUMMARY OF ESTIMATED PROJECT INCOME

(for entire grant period)

	Total Income
A. Contributions, grants, and revenues	
1. Contributions (complete item V.A.1 on page 65)	$ _____
2. Grants (complete item V.A.2 on page 65)	_____
3. Revenues (complete item V.A.3 on page 65)	_____
4. Total contributions, grants, and revenues	$ _____
B. TOTAL CHALLENGE III FUNDS REQUESTED (complete item V.B. on page 65)	$ _____
C. Total estimated project income (complete item V.C. on page 65)	$ _____

TOTAL ESTIMATED PROJECT INCOME MUST EQUAL TOTAL ESTIMATED PROJECT COSTS FOR THIS PROJECT

Does the project budget (Form B) comply with all of the relevant matching requirements on pages 9-10? _____ Yes _____ No

If no, attach a justification explaining the specific circumstances on which your request for an exception is based. Do not exceed one page.

FY 92 Challenge III
Project Budget
Form B (Continued)

Applicant: _____

(Round to nearest $10)

Month Fiscal Year Ends: _____

Grant Period: ___/___/___ - ___/___/___

IV. CHALLENGE III BUDGET BREAKDOWN OF ESTIMATED PROJECT COSTS

A. DIRECT COSTS			1st Year*	2nd Year	3rd Year	4th Year	5th Year	Total Amount for Entire Grant Period
1. a. Salaries and wages								
Title and/or type of personnel	Time Devoted to Project (%)	Rate of Compensation	Fr _____ To _____ **	Fr _____ To _____ **	Fr _____ To _____ **	Fr _____ To _____ **	Fr _____ To _____ **	
		Total salaries and wages	$ _____	$ _____	$ _____	$ _____	$ _____	$ _____
1. b.		Add fringe benefits	_____	_____	_____	_____	_____	_____
		Total salaries and wages including fringe benefits	$ _____	$ _____	$ _____	$ _____	$ _____	$ _____

* Period listed in 1st Year column may be less than 12 months. See page 37.

** Must end with applicant's fiscal year.

FY 92 Challenge III Project Budget Form B (Continued)

Applicant: _____

(Round to nearest $10)

Month Fiscal Year Ends: _____

Grant Period: __/__/__ - __/__/__

IV. CHALLENGE III BUDGET BREAKDOWN OF ESTIMATED PROJECT COSTS

A. DIRECT COSTS, continued	1st Year*	2nd Year	3rd Year	4th Year	5th Year	Total Amount for Entire Grant Period
2. Supplies and materials	Fr _____ To _____**	Fr _____ To _____**	Fr _____ To _____**	Fr _____ To _____**	Fr _____ To _____**	
Total supplies and materials	$ _____	$ _____	$ _____	$ _____	$ _____	$ _____

* Period listed in 1st Year column may be less than 12 months. See page 37.

** Must end with applicant's fiscal year.

FY 92 Challenge III Project Budget Form B (Continued)

Applicant: _____

(Round to nearest $10)

Month Fiscal Year Ends: _____

Grant Period: ___/___/___ - ___/___/___

IV. CHALLENGE III BUDGET BREAKDOWN OF ESTIMATED PROJECT COSTS

A. DIRECT COSTS, continued	1st Year*	2nd Year	3rd Year	4th Year	5th Year	Total Amount for Entire Grant Period
3. Travel						
Transportation of personnel						
No. of travelers From To	Fr _____ To _____**	Fr _____ To _____**	Fr _____ To _____**	Fr _____ To _____**	Fr _____ To _____**	
Total transportation of personnel						
Subsistence No. of travelers No. of days Daily rate						
Total subsistence	$ _____	$ _____	$ _____	$ _____	$ _____	$ _____
Total transportation plus total subsistence	$ _____	$ _____	$ _____	$ _____	$ _____	$ _____

* Period listed in 1st Year column may be less than 12 months. See page 37.

** Must end with applicant's fiscal year.

FY 92 Challenge III Project Budget Form B (Continued)

Applicant: _____ (Round to nearest $10)

Month Fiscal Year Ends: _____ Grant Period: ___/___/___ - ___/___/___

IV. CHALLENGE III BUDGET BREAKDOWN OF ESTIMATED PROJECT COSTS

A. DIRECT COSTS, continued	1st Year*	2nd Year	3rd Year	4th Year	5th Year	Total Amount for Entire Grant Period
4. Fees for services and other expenses	Fr _____ To _____**	Fr _____ To _____**	Fr _____ To _____**	Fr _____ To _____**	Fr _____ To _____**	
Total fees and other	$ _____	$ _____	$ _____	$ _____	$ _____	$ _____

* Period listed in 1st Year column may be less than 12 months. See page 37.

** Must end with applicant's fiscal year.

FY 92 Challenge III
Project Budget
Form B (Continued)

Applicant: _____

(Round to nearest $10)

Month Fiscal Year Ends: _____

Grant Period: ___/___/___ - ___/___/___

IV. CHALLENGE III BUDGET BREAKDOWN OF ESTIMATED PROJECT COSTS

A. DIRECT COSTS, continued	1st Year*	2nd Year	3rd Year	4th Year	5th Year	Total Amount for Entire Grant Period
5. Permanent Equipment	Fr _____ To _____**	Fr _____ To _____**	Fr _____ To _____**	Fr _____ To _____**	Fr _____ To _____**	
Total permanent equipment	$ _____	$ _____	$ _____	$ _____	$ _____	$ _____
B. INDIRECT COSTS Rate established by attached rate negotiation agreement with National Endowment for the Arts or another Federal agency Rate _____% Base $ _____ Agency: _____	$ _____	$ _____	$ _____	$ _____	$ _____	$ _____
C. TOTAL ESTIMATED PROJECT COSTS	$ _____	$ _____	$ _____	$ _____	$ _____	$ _____

* Period listed in 1st Year column may be less than 12 months. See page 37.

** Must end with applicant's first year.

FY 92 Challenge III Project Budget Form B (Continued)

Applicant: _____

(Round to nearest $10)

Month Fiscal Year Ends: _____

Grant Period: __/__/__ - __/__/__

V. CHALLENGE III BUDGET BREAKDOWN OF ESTIMATED PROJECT COSTS

A. CONTRIBUTIONS, GRANTS AND REVENUES	1st Year*	2nd Year	3rd Year	4th Year	5th Year	Total Amount for Entire Grant Period
1. Contributions	Fr _____ To _____**	Fr _____ To _____**	Fr _____ To _____**	Fr _____ To _____**	Fr _____ To _____**	
Total contributions	$ _____	$ _____	$ _____	$ _____	$ _____	$ _____
2. Grants (do not list anticipated NEA grants)						
Total grants	$ _____	$ _____	$ _____	$ _____	$ _____	$ _____
3. Revenues (See page 39)						
Total revenues	$ _____	$ _____	$ _____	$ _____	$ _____	$ _____
4. Total Contributions, Grants, and Revenues	$ _____	$ _____	$ _____	$ _____	$ _____	$ _____
B. TOTAL CHALLENGE III FUNDS REQUESTED	$ _____	$ _____	$ _____	$ _____	$ _____	$ _____
C. TOTAL ESTIMATED PROJECT INCOME	$ _____	$ _____	$ _____	$ _____	$ _____	$ _____

* Period listed in 1st Year column may be less than 12 months. See page 37.

** Must end with applicant's first year.

FY 92 Challenge III
Consortium Member Information
Form C1

Each member of a consortium must submit an original and four copies of this completed form.

1. Lead Organization/Agency (Legal Name)			
Popular Name (if different)			
2. Consortium Member (legal name)			**3.** ☐ **New Applicant** ☐ **Former Applicant with same address** ☐ **Former Applicant with change of address**
Popular Name (if different)			
Address			**4. Employer I.D. Number**
City	**County**	**State**	**Zip Code**
Contact Person	**Title**		**Telephone** ( )

5. Arts Endowment Program to which the project most closely relates: _____

PLEASE SEE ALSO "APPLICATION MATERIALS/CONSORTIUM MEMBERS" ON PAGE 25, "REQUIRED ATTACHMENTS" ON PAGE 28, AND "PROGRAM MATERIALS" ON PAGES 29-32 FOR ADDITIONAL MATERIALS THAT MUST BE SUBMITTED AS PART OF YOUR APPLICATION PACKAGE. LATE APPLICATIONS WILL NOT BE CONSIDERED AND WILL BE RETURNED; INCOMPLETE APPLICATIONS ARE UNLIKELY TO BE FUNDED.

6. Certification of Authorizing Officials

The Authorizing Official(s) certify that the information contained in this application, including all attachments and supporting materials, is true and correct to the best of our knowledge. The Authorizing Official(s) also certify that the applicant will comply with the Federal requirements specified under "Assurance of Compliance" on pages 18-20

Chair of Board, Commission, or Council **Name** (type)	
Title (type)	**Telephone** ( )
Signature	**Date Signed**
Contact Person **Name** (type)	
Title (type)	**Telephone** ( )
Signature	**Date Signed**
Payee (to whom grant payments will be sent if other than authorizing official) **Name** (type)	
Title (type)	**Telephone** ( )
Signature	**Date Signed**

FY 92 Challenge III
Consortium Member Information
Form C2

Lead Organization/Agency (legal name) _____

Consortium Member (legal name) _____

Popular Name (if different) _____

City, State _____

Consortium member total fiscal activity
(including Challenge III project)

Each member of a consortium must submit an **original and three copies** of this completed form.

($ in thousands)

Month Fiscal Year Ends: _____

Grant Period: ___/___/___ - ___/___/___

	19 ___	19 ___	19 ___	19 ___	19 ___	19 ___	19 ___
A. OPERATING FUNDS/Unrestricted and Restricted							
1. Revenue and Support							
a. Contributions	$	$	$	$	$	$	$
b. Grants							
c. NEA Grants							
d. Federal Challenge III Funds							
Total Revenue and Support	$	$	$	$	$	$	$
2. Expenditures							
a. Personnel (including fringe benefits)	$	$	$	$	$	$	$
b. Supplies and Materials							
c. Travel and Subsistence							
d. Fees and Other							
e. Permanent Equipment							
f. Other							
Total Expenditures	$	$	$	$	$	$	$
3. Results of Operations for Year	$	$	$	$	$	$	$
B. ANALYSIS OF CHANGES IN FUND BALANCES							
1. Operating Fund(s)/Unrestricted and Restricted							
Beginning Operating Fund(s) Balance	$	$	$	$	$	$	$
Results of Operations for the Year							
Inter-Fund Transfers							
Ending Operating Fund(s) Balance	$	$	$	$	$	$	$
2. Endowment Fund							
Beginning Endowment Fund Balance	$	$	$	$	$	$	$
Challenge III Matching Funds							
Federal Challenge III Funds							
Realized Gain on Securities							
Other (describe) _____							
Subtotal	$	$	$	$	$	$	$
Expenditures of the Endowment Fund							
Unrealized or Realized Loss on Securities							
Subtotal	$	$	$	$	$	$	$
Inter-Fund Transfers							
Ending Endowment Fund Balance	$	$	$	$	$	$	$

FY 92 Challenge III
Consortium Member Information
Form C2 (Continued)

Legal Organization/Agency (legal name) _____

Consortium Member (legal name) _____

Popular Name (if different) _____

City, State _____

Consortium member total fiscal activity
(including Challenge III project)

($ in thousands)

Month Fiscal Year Ends: _____ Grant Period: ___/___/___ - ___/___/___

B. ANALYSIS OF CHANGES IN FUND BALANCES, continued	19___	19___	19___	19___	19___	19___	19___
3. Plant Fund							
Beginning Plant Fund Balance	$	$	$	$	$	$	$
Transactions which serve to increase the Plant Fund Balance:							
Challenge III Matching Funds							
Federal Challenge III Funds							
Other (describe) _____							
_____							
Subtotal:	$	$	$	$	$	$	$
Transactions which serve to decrease the Plant Fund Balance:							
Non-capitalized Expenditures of the Plant Fund							
Subtotal:	$	$	$	$	$	$	$
Inter-Fund Transfers							
Ending Fund Balance	$	$	$	$	$	$	$
4. Other Funds (describe) _____							
Beginning Balance	$	$	$	$	$	$	$
Transactions which serve to increase the Fund Balance:							
Challenge III Matching Funds							
Federal Challenge III Funds							
Other (describe) _____							
_____							
Subtotal:	$	$	$	$	$	$	$
Transactions which serve to decrease the Fund Balance:							
Non-capitalized Expenditures of the Fund							
Subtotal:	$	$	$	$	$	$	$
Inter-Fund Transfers							
Ending Fund Balance	$	$	$	$	$	$	$
5. Other Funds (describe) _____							
Beginning Balance	$	$	$	$	$	$	$
Transactions which serve to increase the Fund Balance:							
Challenge III Matching Funds							
Federal Challenge III Funds							
Other (describe) _____							
_____							
Subtotal	$	$	$	$	$	$	$
Transactions which serve to decrease the Fund Balance:							
Non-capitalized Expenditures of the Fund							
Subtotal	$	$	$	$	$	$	$
Inter-Fund Transfers							
Ending Fund Balance	$	$	$	$	$	$	$

FY 92 Challenge III Design Submission Form D

Applicant (legal name) _____

Popular Name (if different) _____

City, State _____

In a single package, submit the **original and four copies** of this form and one set of items a. through j. as specified on pages 40-42.

Total Challenge III Funds Requested $ _____

What percentage of Total Challenge III and Matching Funds will be used for renovation/construction? _____ %

Summarize the type and extent of the proposed renovation or construction project and relate it to the specific Challenge III objectives under which the application is being submitted. Describe the purpose of the entire Challenge III project and define the portion of the project for which Challenge III funds are requested. Relate this description to the design documentation whenever possible. (If necessary, you may continue on the reverse of this form.)

We certify that the information contained in this design submission, including the required attachments listed on pages 40-42, is complete and correct to the best of our knowledge.

Chair of Board, Commission, or Council	**Date**	**Project Director**	**Date**
(typed name/title/phone)		**(typed name/title/phone)**	

NOTES:

NOTES:

National Endowment for the Arts
Washington, D.C. 20506

OFFICIAL BUSINESS
Penalty for private use, $300

NO POSTAGE
NECESSARY
IF MAILED
IN THE
UNITED STATES

BUSINESS REPLY MAIL

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Challenge Grant Program, Room 617
National Endowment for the Arts
Nancy Hanks Center
1100 Pennsylvania Avenue, N.W.
Washington, D.C. 20506

FY 92 Challenge III — Project Data Card

Applicant: _____

City: _____ State: _____

Complete the Following:	Name (typed)	Telephone
Project Director		
Artistic Director		
Managing Director		
Executive Director		
President		
Board Chair		
Director of Development		
Comptroller Finance Officer		

Project Objective under which you are requesting funds (check only one):
____ Artistry ____ Access ____ Appreciation ____ Support Systems for the Arts

Is this a consortium application? ____ Yes ____ No

Is a design submission a part of your request? ____ Yes ____ No

Arts Endowment Program
to which the project most directly relates: _____

Challenge Grant Program, Room 617
National Endowment for the Arts
Nancy Hanks Center
1100 Pennsylvania Avenue, N.W.
Washington, D.C.

Official Business

Postage and
Fees Paid
National Endowment
for the Arts
NEA–635

U.S. MAIL

FY 92 Challenge III — Notice of Intent to Apply

Please complete and mail this card by February 4, 1991 to indicate your intention to apply by March 5, 1991.

Applicant Name _____

Address _____

City/State/Zip _____

Telephone (area code) _____

Amount to be Requested $ _____

Contact Person _____

Project Objective under which your are requesting funds (check only one):

____ Artistry ____ Access ____ Appreciation ____ Support Systems for the Arts

Have you been an applicant to the Arts Endowment during the past two years?

____ Yes ____ No

Will this be a consortium application? ____ Yes ____ No

Will a design submission be a part of your request? ____ Yes ____ No

Arts Endowment Program to which the project most directly relates: _____

---------- (cut here) ----------

FY 92 Challenge III — Project Data Card

Applicant _____

Address _____

City/State/Zip _____

_____

Project Director/Title/Telephone

_____

Chair of Board, Commission, or Council/Title/Telephone

_____ $ _____

Application Number (Endowment use only) — Amount Requested

---------- (do not separate cards; attach to application) ----------

FY 92 Challenge III — Application Acknowledgment Card

Print or type your address on the reverse side of this card. This is to acknowledge receipt of your Challenge III application. Should it be necessary to correspond with the Arts Endowment about your application, please refer to your application number which is:

_____ _____

Application Number (Arts Endowment use only) — Date

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